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### **UN Escorts** 300 Women **And Children** From Sarajevo

SARAJEVO, Bosnia-Herzegovina — The United Nations escorted more than 300 mothers and children safely out of Sarajevo on Wednesday after the Bosnian capital's warring factions gave their blessing, for the

first time, to an exodus of civilians.

Wrenching themselves away from their relatives in emotional farewells in a parking lot, the women and children boarded the buses and drove away from four months of bitter warfare pitting Serbs against Musims and Croats.

Two UN armored personnel carriers, one ahead and due behind, escorted them safely up to the last Serbian checkpoint in the suburb of Ilidza, near the airport.

The good news, however, was overshadowed by a UN warning that Serbian forces planned to drive as many as 28,000 Bosnians, most of them Muslims, out of their homes into Croatia in a campaign against non-Serbs known as "ethnic cleansing."

More than 20,000 people are stranded at the border of Bosnia and Croatia, and thousands more are trapped in the croatia, according the UN High

ommissioner for Refugees.
"What is going on in these areas is something beyond your imagination," said a spokesman. Peter Kessler, in the Croatian capital. "It simply appears from the situation that it might be too late.

The refugee office said it was doing all in its power

to prevent Serbs from evicting the mainly Muslim inhabitants. It said it would bolster its presence in border areas in an attempt to rein in the Serbs and persuade frightened Bosnians not 10 go across the

A refugee office spokeswoman, Sylvana Foa, said the United Nations planned instead to send a convoy of food, medicine, and observers to Banja Luka to try to persuade residents to stay put.

Miss Foa said although the refugee officer was prepared to help individuals if they genuinely wanted to leave, the agency would not take part in a mass evacuation that served Serbian goals of carving out 'ethnically pure" areas.

She asserted that the inhabitants were not leaving voluntarily, as the Serbs asserted.

"This is systematic terrorization of these people," she said, adding that vigilantes were going into Mus-lim villages, shooting a few people and destroying a few homes and then asking the women in their husbands' absence to sign over their property and leave. The leadership of the Bosnian Serbs could not be reached for comment. Its official press agency, SRNA.

merely said it had contacted the United Nations in Sarajevo but had obtained no information about any

Each of the three ethnic groups fighting in Bosnia-Herzegovina has tried to carve out territory excluding the other two. But the Serbs, who control two-thirds of the former Yugoslav republic's land, have received the loudest international condemnation for "ethnic

Even the evacuation on Wednesday of women and children from Sarajevo, coordinated by the Children's Embassy, a local charity, aroused suspicions among some Bosnians, who fear the departure of civilians

See CONVOY, Page 6



A child waving a final good-bye to Sarajevo on Wednesday from the window of a relief

### In Bosnia's 2d City, Terror of 'Ethnic Cleansing'

By Peter Maass Washington Post Service

BANJA LUKA. Bosnia-Herzegovina - This is a city of daytime arrests, midnight beatings and round-the-clock terror. Serbs drive through town, some wearing black leather masks and gloves, firing automatic rifles into the air, shouting Ser-bian nationalist slogans. Serbian military jets fly low the city, close enough to rattle windows, and helicopters clatter over the

There is a 10 P.M. curfew, but only the intoxicated or the well-armed willingly venture outside once darkness falls. For the city's Muslims and Croats, even day-

Banja Luka is the second-largest city in

town of about 110,000 Serbs and 75,000 Muslims and Croats. But, like other towns of northern Bosnia, the Serb militia and local authorities are forcing the Muslims

In recent days, world attention has focused on camps where Serbs hold Croats and Muslims, forcing the Serbs to show restraint. But in cities like Banja Luka, the expulsion of Muslims and Croats has ac-

In hig cities, the Muslims and the Croats are not being marched out at gunpoint, although people say that is what Serbs have done in more isolated villages.

Enough terror has been generated in Banja Luka through physical and psychological violence that about a third of its Muslims and Croats have fled, and most of those left behind are desperately searching for assurances of safe passage past the many roadblocks.

Besides the gunmen and the sound of weapons, much of what intimidates the Muslims and Croats is visible on all sides - huildings daubed with Serbian slogans and symbols. The radio replays speeches warning of threats from "fascist" Croats

and "fundamentalist" Muslims. In one reflection of the Muslims' and Croats' desperation, they have papered trees with offers to trade their apartments

here for something in other cities — in-cluding besieged Sarajevo. According to relief officials and local

dismissed from their jobs. Policemen raid their apartments, ostensibly looking for weapons. Streets are suddenly cordoned off and everyone's documents are checked. Draft-age men are taken away.

The terror includes random attacks, according to Muslims. The main mosque, built more than 400 years ago, has been raked by machine-gun fire, A Muslimowned optical shop next to it has been ruined by a bomb.

Fearing deportation to the prison camps or forced conscription into the Serbian Army, many Muslim and Croatian men are in hiding, never venturing outside their homes. Some scurry from one safe house

See BOSNIA, Page 6

### Kiosk



WOULD-BE KINGS - Geraldo Rivera, the talk-show host, hidden among Elvis Presley impersonators at the New York taping of a show about the 15th anniversary of the singer's death. Mr. Presley died on Aug. 16, 1977.

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- A South African police sergeant testi-

fied Wednesday that she accidentally erased 13 hours of tape recordings of radio calls among riot policemen the night of the June 17 massacre in the black township of Boipatong, in which 43 people were killed.

The recordings had been regarded as vital evidence in an investigation into allegations of police complicity in the massacre. The killings caused a wave of

**Evidence Erased in Boipatong Case** VEREENIGING, South Africa (WP) revulsion, prompting Nelson Mandela, President of the African National Congress, to pull out of negotiations with President F.W. de Klerk for a nonracial

and democratic government.

Sergeant lise O'Reilly, who was in charge of the operations room, told a commission of inquiry that taping equip-ment that automatically recorded telephone and radio conversations of security force members had been improperly used since it was installed on March 24.

### **Military Cutbacks Are Putting Brake** On U.S. Recovery

By Louis Uchitelle New York Times Service

NEW YORK - Not since the 1950s has the United States recovered from a recession while military spending was falling sharply. But now that the Cold War is over, it is struggling to do just that, and finding it difficult.

Although economic critics of military spending have long argued that the money and manpower could be better employed in the civilian sector, virtually no one questions that military spending has served as a powerful source of economic demand.

"There has not been a time when a rise in defense spending would mean more for the economy than In Europe, the peace dividend is coming slowly as

now," said Alicia Munnell, a senior economist at the Federal Reserve Bank of Boston. "We are growing so slowly that defense spending can make the difference between a rising unemployment rate and a falling

defense expenditures remain high. Page 11.

The military budget authorization - \$286.7 billion in the current fiscal year, adjusted for inflation — has

been falling at more than 5 percent a year since 1990, notwithstanding the fighting in Kuwait.

Among all categories of military spending, the greatest damage to the economy has come from the cutback in procurement spending, or orders placed with factories. It has been falling by more than 12

percent a year since 1990. And under President George Bush's budget proposal, now before Congress, the sum will drop 13 percent in fiscal 1993. Procurement has a multiplier effect,

See SPENDING, Page 11

## U.S., Canada and Mexico **Redefine Competition** With Free-Trade Accord

By Stuart Auerbach

WASHINGTON - The United States, Canada and Mexico on Wednesday concluded a continentrichest trading bloc in the world designed to make

North American companies more competitive against potential rival blocs in Asia and Europe. Just hours after the agreement was reached, President George Bush trumpeted it as "the beginning of a

Before the deal can go into effect, it faces a politically charged review by the U.S. Congress. Page 9.

new era" for North American economic cooperation that would "create jobs and generate growth in all three countries."

The agreement, which must be approved by the U.S. Congress and the legislatures of Canada and Mexico, will span a territory stretching from the Yukon to the Yucatan, covering some 360 million people and an economy of \$6 trillion.

Under the pact, known as the North American Free Trade Agreement, tariffs and other barriers to the movement of goods, services and money among the United States and its neighbors to the north and south will be erased over the next 15 years.

The government of President Carlos Salinas de Gortari is banking on the pact to lift Mexico from Third World status and make it an economic force in the world, while Canada joined the talks late to try and improve on a three-year-old free-trade pact with the

Sounding themes that are certain to be a part of his re-election campaign. Mr. Bush said that open mar-kets in Canada and Mexico mean more and higher-paying American jobs, "the kind that our nation needs to grow and prosper, the kind that showcase American talent and technology."

Challenges from the Democrats started

Providing a taste of the bruising partisan ratifica-tion battle to come, Representative Richard A. Gep-hardt of Missouri, the House Democratic leader, and Senator Max Baucus, Democrat of Montana, said the agreement needed to be renegotiated because it failed to adequately provide environmental protection and failed to help American workers who would be thrown

out of work because of the pact. The chairman of the Senate Finance Committee, Senator Lloyd Bentsen, Democrat of Texas, whose continued support for the trade pact is critical to its congressional ratification, also expressed concerns about the attention it pays to worker retraining, environmental protection and improved roads, bridges and sewer systems along the U.S.-Mexican border.

While U.S. manufacturing industries and service providers across the board hailed the agreement as good for them and for the U.S. economy, organized labor attacked the pact, saying it would increase the

movement of high-paying manufacturing jobs to Mexico, where wages are far lower. U.S. antomobile makers, computer companies,

banks and investment companies, which faced complete bans or other restrictions on activities in Mexico.

Trade Minister Michael Wilson of Canada said the treaty would be a "win-win-win" situation for the three nations. In a Washington press briefing, Mr. Wilson pitched the agreement to Canadians, the majority of whom have expressed qualms about it.
"Canadians should be confident that this agreement

See TRADE, Page 11

### Mexico Export Boon Expected, With South Asia a Slight Loser

By Carl Gewirtz

ional Herald Tribune

PARIS -- The immediate effect of the North American Free Trade Agreement is expected to be minor, analysts said Wednesday, with Mexico likely to boost its exports to its new free-trade partners by about \$2 billion a year over the next three years and outsiders, nainly in South and Southeast Asia, likely to lose North American export sales of only \$500 million.

The difference between the size of Mexico's gain and Asia's loss, said Alexander Yeats, the World Bank's international trade analyst, arises from the estimate that the trade agreement will primarily create new opportunities for doing business rather than displacing existing trading arrangements.

Existing tariffs on Mexican goods are set to wither over the next 15 years, spreading out the effect on other countries. Although the long-term impact on outside countries is expected to be significantly larger, Mr. Yeats said it was impossible to calculate just how big these potential costs are likely to be.

With exports from South Asia valued at about \$346 billion a year, the immediate cost to the region is

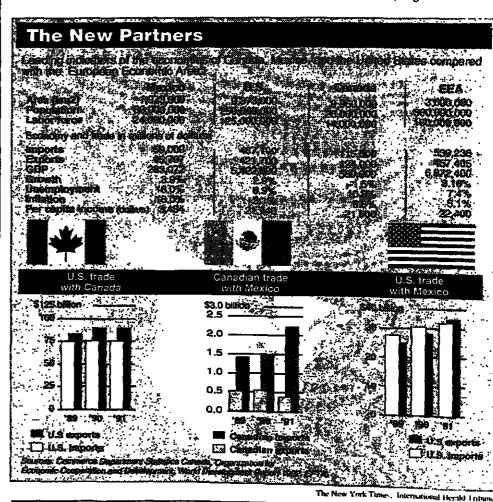
This is not to say that the trade pact will not have a dramatic effect, at least over the long term, on the rest

is expected to be little affected, as its exports are highvalue-added products which are not made in Mexico. But taking a longer-term view, there is a great potential for European and Asian businessmen to divert future investment in new plant and equipment to

"How large these investments are likely to be can-not be projected," Mr. Yeals said.

The aim would be to use Mexico's low production costs as a cheap gateway for duty-free entry into the United States and Canada. However, such plants will have to meet regulations on the amount of value added. The United States, for example, is disputing whether auto parts of a Honda assembly plant in duty-free sale.

The other important aspect of the trade pact, equally impossible to measure, is the impact it will have on the world trading system especially if, over time, other See IMPACT, Page 11



### Eroding Cambodia's Borders

### Thais and Vietnamese Encroach on Its Identity

By Mary Kay Magistad

Washington Fort Service
SISOPHON, Cambodia — It's 8 A.M., and the That national anthem is playing on television in this northwestern boomtown, with color pictures of the Thai king and queen picked up from strong signals across

At a shop down the street, residents can pick up posters of Thai royalty. They can pay in Thai baht, a currency at least as acceptable here as the inflation-plagued Cambodian riel. Many Cambodians who live near the Thai border envy and admire their richer, more stylish neighbors.

Other Cambodians are warier. In 10 months since the Cambodian peace accord was signed in Paris, they

have seen Thai speculators drive real estate prices out of reach for most Cambodians. They have watched Thais cart out ever bigger loads of Cambodian timber. gems and artifacts from 12th-century temples such as Angkor Wat.

Hundreds of Thai entrepreneurs have eased their way into the Cambodian business scene by buying Cambodian identification cards, usually for less than \$100, several Thai and Cambodian sources in Battambang and Phnom Penh said. These cards allow Thais from Khmer-speaking parts of Thailand to pass as Cambodian natives.

"We fought to get rid of Vietnamese invaders," Boreth Sun, who grew up in Sisophon, became See THAIS, Page 6

### Somali War Mirrors Bosnia's, Except in Catching World's Eye

By Keith B. Richburg

。她们的的人。 第二章

Washington Post Service
MOGADISHU, Somalia — The haunting images have become almost daily tele-vision fare: pathetic, gaunt bodies, orphans with hollow eyes, hospitals filled with wounded people and rival gunmen slaughtering each other.

Each new image heightens world outrage and revulsion, increasing pressure on

#### **NEWS ANALYSIS**

Western governments to do something anything — to halt this nightmare.

That has been the world reaction to the crisis in former federal Yugoslavia, a civil war in the heart of Europe that has attract-

ed a major United Nations presence and even efforts for direct military intervention to protect emergency aid. But the images are much the same in Somalia. Hundreds, if not thousands, of

people are dying daily of hunger and dis-cease, and refugees are streaming by the thousands each day into neighboring Kenya. Civil administration has collapsed and what was once a functioning society has been reduced to primordial anarchy. If tragedy were measured simply in num-

bers of lives destroyed, the one in Somalia would, by many accounts, be judged great-er than that in Yugoslavia. Here, civil war has been compounded by a famine that is wiping out entire villages.

But unlike Yugoslavia, the Somali crisis

has attracted little attention or aid, and only faint calls for military involvement. The people grappling with the Somali crisis, and many observing it from the foutside, immediately offer a few explanations for what some have called a double

Yugoslavia's proximity to Western capitals; the modern "novelty," at least in me-dia circles, of a war in Europe that could

Compiled by Chir Staff From Dispatches

of worry in Asia about a resurgence

of Japanese militarism, the prime

minister and most of his cabinet

made plans to visit a controversial

shrine to commemorate Japan's de-

Prime Minister Kiichi Miyazawa

and the majority of his ministers

disclosed that they would visit the

Yasukuni Shrine, a Shinto reposi-

tory for the souls of all Japanese

Both in Japan and abroad, the

shrine is associated with the coun-

try's military past and such visits

cause concern, not least because

seven Japanese war criminals are

and 24 generals, admirals and dip-

Mr. Miyazawa has said he will make a private visit to Yasukuni.

but no prime minister has made the

release of a survey by the Foreign

Ministry on Wednesday showing

that many Southeast Asians fear a

cial said that the first Japanese

troops to be sent on an overseas

mission since the war could be in

Cambodia as early as next month to join a United Nations peace-

In the ministry survey, about 30

percent of those asked said they

were worried that Japan would be-

come a military threat in the future.

About the same proportion said

At the same time, a senior offi-

return of militarism in Japan.

keening force.

trip in any capacity since 1985.

honored at the shrine.

among the dead honored there.

feat in World War II.

who died in war.

TOKYO - Amid fresh evidence

Miyazawa War Tribute .

A Reminder for Region

- Yugoslavs are Europeans, Somalis are

Africans.
"One, there's the proximity," said a
Western diplomat in Nairobi, expressing frustration at the double standard "There's also probably more Yugoslavs living in the United States. There's color. And all the adoption fanatics see a chance to adopt little blond kids."

"More people are concerned about Yugoslavia, so nobody is concerned about Africa," said Patrick Bongrain, a logistics officer working in the coastal town of Merca with the French group Doctors Without Borders. "Yugoslavia is something new—and it's very close for European people."

Rakiya Omaar, a Somali who is executive director of Africa Watch, the humanrights group, says it is European racism fueled by African indifference.

"It's ludicrous for Africans to argue that Europeans should be paying as much attention to Somalia as they pay to Yugoslavia," she said. "Why should Europeans care about Africans when Africans don't

"Africa's own silence makes racism easier," she said. "If your own people won't Mr. Butros Ghali's special envoy to Somaspeak up for you, why should the rest of the lia. Mohammed Sahnoun, a former Algeriworld care?

Sanford J. Ungar, dean of American University's journalism program and a journalist who has reported from Africa journalist who has reported from Africa we launched in the former Yugoslavia are and written a book about it, called the costing a lot of money to the United Nadisparity of interest between Yugoslavia and Somalia "a classic example of a situation where the familiar crowds out the

While racism is not entirely to blame, he said, "there is a subtle racism at work."

The UN secretary-general, Butros Butros Ghali, an Egyptian, touched delicately on many of these points when he publicly challenged the Security Council's decision quently, they have nothing like the heavy to step up costly peacekeeping operations weapons of the former Yugoslav Army spread; the neglect of African leaders in speaking up about a crisis on their own doorstep; and on a more basic level, racism to step up costly peacekeeping operations weapons of the former Yugos in Yugoslavia — which he called a "rich now being used in the Balkans." — while relief operations in "People are really starving, and "People are really starving, and

> they could not forget its misdeeds. The ministry attributed Asian

> concerns to recent events marking

the 50th anniversary of Japan's in-

vasion of Southeast Asia from

1941-42, as well as plans to send

troops overseas for the first time

Asian women forced to serve as

prostitutes for Japanese soldiers in

The survey received replies from

more than 800 people in Indonesia,

Malaysia, Singapore and the Phil-

ippines, and about 775 in Thailand.

more pronounced in Malaysia and

At least 23 percent of Indone-

Forty percent of Malaysians, up

The survey found 37 percent of

The Philippines, Singapore, Ma-

laysia and Indonesia were invaded

Thailand was Japan's wartime ally,

Even in Japan, public opinion is

split over the government's plan to

send troops overseas to Cambodia. Jiro Hagi, deputy director of the newly established International

Peace Cooperation Headquarters.

arrived in Phnom Penh on Wednes-

day to determine how and where

and occupied by the Japanese.

although also occupied.

15 percent, said they could not for-

get Japan's war conduct.

Fear of Japanese militarism was

It also noted controversy created

recent detailed accounts of

since World War II.

the war.

nong the dead honored there. Singapore where about 35 percent of those surveyed said they regard-

kuni is Hideki Tojo, prime minister— ed Japan as a military threat, up 5 during most of World War II and percent in each country over the

somats were convicted of war sians surveyed seared a resurgence

etimes at the Tokyo Trial. Tojo and of Japanese militarism, up 2 per-

six of his co-defendants were exe- cent; 32 percent of Filipinos, down

cuted in December 1948. They are 15 percent; and 24 percent of

when former Prime Minister Yasu-hiro Nakasone caused bitterness at felt the same way; 31 per cent of

home and abroad by breaking a Singaporeans, up 6 percent; 29 per-postwar taboo with an official visit.

News of the tribute planned by cent; and 18 percent of Thais.

general in the Imperial Army. He last poll in 1987.

Mr. Miyazawa coincided with the down 11 percent.

### UN to Guard Food in Mogadishu

MOGADISHU, Somalia - The senior United Nations representative in Somalia, Mohammed Sahnoun, announced Wednesday that he had won an agreement from a warlord for the deployment of 500 armed UN troops to protect food deliveries to millions of starving Somalis.

The UN Security Council, moved to act after reports of death by hunger of tens of thousands of Somalis, passed a resolution last month authorizing the deployment of the troops, with or without the consent of the warring factions.

But aid officials were worried that foreign troops entering the clan warfare of Somalia without firm agreements would cause even more chaos. The UN representative has been struggling for two weeks to win the agreement of General Mohammed Farrah Aidid, the leader of one of the two main clan-based factions that have been

fighting for 10 months. Mr. Sahnoun visited the general in his headquarters at Bardera, southwest of Mogadishu, on Wednesday, where the general signed a document stipulating that the troops would protect the port of Mogadishu and transportation to rural centers, where hundreds of people are dying daily. Mr. Sahnoun then flew to Nairobi to make

This view was echoed here last week by an ambassador to Washington. In an interview, Mr. Sahnoun said Mr. Butros Ghali was right in pointing out that operations tions, but nothing was done about Soma-

Mr. Sahnoun noted irony in that a UNarranged cease-fire has been holding in Mogadishu since March, making it safer for relief operations than in embattled Bosnia-Herzegovina, where UN peacekeepers have come under frequent gunfire.

While Somalia's clans have clashed fre-

"People are really starving, and the secu-

Somalia and the rest of black Africa go nity conditions are better than in Yugoslavia," Mr. Sahnoun said. Asked about the reasons for the discrepancy, he paused and searched briefly for the correct diplomatic answer. "Maybe because it's in Europe, I don't know," he said. "Maybe it's their

neighbor's problem." He also criticized the United Nations for pulling its staff out of Somalia after the fall of President Mohammed Siad Barre in January 1991 and for failing to re-establish a presence for nearly a year. "It was a very, African Unity took no role, very long delay and a tragic delay. And we are now paying the price." We sale to the OAU secretary asserts. are now paying the price," Mr. Sahnoun

In many ways, Somalia is a victim of the and of France, who traveled to besieged with his country fighting Soviet-supported, socialist Ethiopia over the Ogaden region.

Mr. Siad Barre embraced the West — and

many ways, Somains is a victure of the college of France, who traveled to besieged with his country fighting Soviet-supported, Sarajevo to dramatize the plight of the socialist Ethiopia over the Ogaden region.

The point was to show the people of suddenly this desert land of nomads and camels was at the center of U.S. geopolitical planning.

Strategic thinkers in Washington saw

troubled "arc of instability," a base from which to project power into the Red Sea and the Middle East.

Mr. Siad Barre, although a recent convert to anti-communism, also provided a bulwark against anti-Western Ethiopia, which was being bolstered by Soviet hardware and Cuban troops.

The United States built one of Africa's longest airstrips at Berbera, constructed one of the most expensive and colossal embassy compounds in the world, and re-warded Mr. Siad Barre by pouring sophisticated weapons into the country.

By the time the civil war reached the capital and toppled Mr. Siad Barre, however. Washington had lost interest. Western embassies evacuated Mogadishu, never to look back.

If the West must take some blame for first arming Somalia and then turning its back, so must Africa's own leaders be held

When the Yugoslav crisis erupted last year, European leaders worked feverishly trying to work out some kind of agreement. Europe also has forced the issue to the top of the UN agenda.

By contrast, African leaders have remained virtually silent on Somalia. As opposing warlords battled in Mogadishu for much of last year — shelling the city into oblivion and killing mostly innocent wom-

groups. No African president has shown the courage of President François Mitter-rand of France, who traveled to besieged

Sarajevo that Europe had not forgotten them," said Mr. Omaar of Africa Watch. "Why can't an African leader go to Moga-

New Clashes

**Break Out** 

In Angola

By Kenneth B. Noble

New York Times Service

LUANDA, Angola - The au-

thorities say that fierce fighting has

broken out between government

forces and Angolan rebels.

Skirmishes in the northern prov-

ince of Malange were said to be the

most violent incidents since the two

sides signed a cease-fire accord last

year that ended 16 years of civil

Union for the Total Independence

of Angola, or UNITA, are consid-

ering ways to deal with what ap-

pears to be a politically explosive situation since it comes less than

six weeks before Angola's first mul-

and we're concerned about it be-

of the country," Venacio de Moura, the deputy foreign minister, said

nine people were known to have been killed and several dozen

wounded in the provincial capital,

Malange City, 390 kilometers (240 miles) east of Luanda, Angola's

Western diplomats said the death toll was probably several

State radio said accounts of the

fighting were fragmentary because

and Luanda had been cut

This is a very serious situation,

tiparty elections.

capital.

### WORLD BRIEFS

Saddam Pledges Corruption Drive

NICOSIA (AP) — President Saddam Hussein of Iraq promised.

Wednesday that he would take major steps to improve the nation's economy and suggested that corrupt officials would be executed. He criticized the performance of his ministers, who have been trying to revive an economy hurt by a United Nations embargo imposed after Iraq invaded Kuwait in 1990. invaded Kuwait in 1990.

"All irresponsible government officials will be dealt with the same way we dealt with corrupt businessmen," he promised in a broadcast speech read by an announcer. Reports last month said at least 42 merchants had

been executed in Baghdad after being accused of profiteering.

Mr. Saddam said he would put Deputy Prime Minister Tariq Aziz in charge of a committee to deal with the "negative aspects of social phenomena." The move indicates that bribery has become a major problem in the black-market economy. He also named Hussein Kamel, his son-in-law and a former defense minister, to "draw up a plan of

### Georgian Accused in Abduction

SUKHUMI, Georgia (Reuters) — Georgia accused the deposed president, Zviad K. Gamsakhurdia, on Wednesday of masterminding the kidnapping of its interior minister and ordered his captors to release him or face "extermination."

Eduard A. Shevardnadze, the Georgian leader, said the abduction of Interior Minister Roman Zventsadze smashed hopes for reconciliation with Mr. Gamsakhurdia's supporters. Mr. Shevardnadze vowed to crush the "forces of evil" in the former Soviet republic. "I think that right now the question of 'to be or not to be,' whether good or evil will win out, will be resolved." Mr. Shevardnadze said on state television.

Armed men broke into peace talks in the rebel western city of Zugdidi on Tuesday and snatched the minister and five other officials as well as the head of Zundidi's administration.

#### French Radio Time Favors Treaty

PARIS (Reuters) - Tune in to French public radio and television next month for political entertainment with a European flavor — about 84 minutes of "yes," 6 minutes of "no" and 30 minutes of a mixture. A. government decree on public broadcasting time given to parliamentary political groups for their campaigns for the Sept. 20 referendum on ratifying the Treaty on European Union shows the biggest share going to

parties wanting a yes vote.

The decree, published Wednesday, calculates air time for the official Sept. 7-to-19 campaign in proportion to the number of seats held by each party in the National Assembly and Senate. It gives a total of 84 minutes to the ruling Socialist Party and the centrist Union for French Democracy and its allies, which are expected to ignore small anti-Masstricht minor ities within their ranks.

Six minutes go to the Communist Party, against ratification, and 30 minutes to the conservative Rally for the Republic. It is split over whether or not to ratify the blueprint for closer European political and economic union, although the party leader, Jacques Chirac, wants a yes vote.

### Wellington Wants New U.S. Ties

WELLINGTON (AFP) - New Zealand needs to re-establish a strong security relationship with the United States, Defense Minister Warren Cooper said Wednesday.

New Zealand's interests "are best served by a working defense relation-

ship with the pre-eminent global political and military power," he said. New Zealand was a member of the ANZUS pact, with Australia and the United States, until 1985 when the former Labor government banned nuclear armed and powered ships from visiting here. As a result Washington effectively excluded New Zealand from any military relationship. But the current Wellington government now sees a changed international situation, and has been advocating closer ties.

### TRAVEL UPDATE

#### **United Sets Round-the-World Flights** Officials of both the governing party and the rebels of the National

LONDON (AP) - United Airlines is planning round-the-world flights similar to those once pioneered by Pan American World Airways. United will link its Atlantic and Pacific networks with new service through New. Delhi beginning Feb. 10.

Passengers would follow this route: Los Angeles to New York to

London to New Delhi to Hong Kong to San Francisco and then back to Los Angeles, assuming they headed east. United is not counting on people's taking in the whole world at once, however. Leisure travelers are expected to spend at least several days in each destination, perhaps' adding on some side trips.

cause it could spread to other parts The Turkish government on Wednesday ordered 40,000 striking manicipal workers back to work as trash piled up in major cities, producing one sovernment official called "a da Mr. de Moura said that at least threat to people's health," state television reported. The workers, who are demanding a pay increase, have been off the job for two weeks. (Reuters)

> Forest fires around St. Petersburg and garbage fires in Moscow brought severe pollution to Russia's two biggest cities on Wednesday, as drought conditions continued in parts of the former Soviet Union. St. Petersburg was full of bitter yellow smoke from an estimated 150 fires in forest peat bogs around the city. Smoke from forest fires around Moscow peaked on Monday and Tuesday. On Wednesday, the main threat was garbage dumps that have ignited in the dry weather.

> A shin's pilot on the Queen Elizabeth 2 when it struck an unknown. underwater hazard off the Massachusetts coast defended his job performance Wednesday, saying he was "navigating safety" and was not ultimately responsible for the welfare of the ship.
>
> (UPI)

The Weather

North America

IRISH HONOR - Mother Teresa in Rome receiving an honorary fellowship on Wednesday from Ireland's Royal College of Surgeons. With her was Dermot O'Flynn, college president.

### Japan 'Comfort Women' Case Widens

By Robin Bulman

Washington Post Service SEOUL - A pattern of systematic enslave-Japanese troops could best be de-ployed in Cambodia as part of the UN operation. ment and abuse of women in every country Japan occupied during World War II has been described at a conference of women's groups from six Asian countries. The groups were comparing notes for the

first time on Japan's procurement of women from their countries as prostitutes for the Imperial Army during the war.
One such woman, Lee Yong Yeo, was 16

years old when she heard that a Japanese factory was hiring young Korean women. It was 1940, and life was full of hardships in Korea, then a colony of Japan. Her father raised no objections, so, with two friends, she left. But the ship that Miss Lee and dozens of other unsuspecting Korean women boarded in the Korean port of Pusan went to Singapore.

not to Japan. And in Singapore, there were no Instead, she was forced to become a "comfort

woman," the euphemism used to describe the estimated 200,000 Asian women, mainly Koreans, who were enslaved as prostitutes by Japan.

"They brought me to a house, took me up-stairs and put me in a room," said Miss Lee, now 68. "I didn't know what was going to happen to me until the soldiers came." For five years, she said, she was forced to

have intercourse with 20 to 30 Japanese soldiers each day. She said one of her friends committed suicide during the first year.

Miss Lee eventually made her way back to her family in Korea. She found that her father was dead and one of her brothers disabled.

"So much had happened to them," she said tearfully. "I had all this pain inside me, but I couldn't tell anyone." Like most other former comfort women, she never married, and she never told anyone what had happened to her.

Today, Miss Lee carries no grudges. "That was what happened at that time," she said matter of factly.

After Japanese and South Korean news organizations began last year to delve into Japan's wartime procurement of women, Miss Lee and other former comfort women have stepped forward to tell their stories. They believe that Japan must finally acknowledge its full role in what many perceive as wartime atrocities against the women of Asia.

Japan has admitted recruiting women for prostitution. Prime Minister Kiichi Miyazawa even apologized to South Korea several times during a state visit to Seoul in January.

Only last month, however, officials said that they could not locate any documents proving that Japan had recruited any women by force And Japan has yet to make a concrete offer of compensation to surviving comfort women.

Representing the Taipei Women's Rescue Foundation at the Seoul conference. Mei-ling Chen said the stories of 13 Taiwanese comfort women had been verified. She estimated that at ibly recruited by Japan.

times that number

Nelio Sancho Lios, of the Asian Women's Human Rights Council of the Philippines, said her group had located a medical report from 1942 showing a sketch of a comfort house in the Philippines' Roilo Province. Existence of the wartime military brothel has been confirmed by area residents, she said.

She accused the government of former President Corazon C. Aquino of ignoring evidence of enslavement of Filipino women and not seeking any compensation for surviving Filipino comfort women.

To pursue their case against Japan, the 70 delegates from women's rights groups in South Korea, Taiwan, the Philippines, Hong Kong, Thailand and Japan have established the Asian Network in Solidarity With Women Drafted for Sexual Slavery by Japan.

The group ended the conference by strongly condemning Japan for what it described as a "brutal crime unprecedented in the history of

The delegates also issued a list of demands to the Japanese government, among them that it recognize that comfort women were "forcibly and violently" taken from Asian countries and that it release all historical documents related to them. The group also demanded that Japan offer acceptable compensation and reparations to surviving comfort women and their families based on international law.

### Russia to Curb Electricity 25% Starting in Autumn

MOSCOW - Russia will start curtailing electricity as of Oct. 1 because of a shortage of energy resources, an official said Wednes-

day.

The measure is designed to cut daily consumption by 25 percent. It will remain in effect until October 1993, the deputy head of Russia's Electric Energy Committee, Vitaly Gorin, told the Itar-Tass news agency. Cuts could also reach 20 percent at times of peak demand. Mr. Gorin said electricity suppliers would have to warn consumers a day in advance about plans to cut power, or at least one hour in

advance in case of emergencies.

Power cuts, according to Mr. Gorin, will not affect communications, hospitals, schools, vital industries or residential areas. This has been done to ensure the stable work of power systems if

critical shortages of electricity arise," Mr. Gorin said.

The report did not explain the need for power cuts. But general chaos in the evonomy, shortfalls in oil output and cuts in nuclear power have all taken their toll. (AP, Reuters)

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### U.S. Kids Found Mired More Deeply in Poverty

By Barbara Vobejda Washington Post Service

WASHINGTON - Child poverty, which historically has been concentrated in the nation's largest urban areas, has been climbing rapidly in small cities, suburbs and rural areas as well as big cities, according to a child-advocacy

The group, the Children's De-

fense Fund, reported that the list of

cities with the highest child-poverty

rates included not only Detroit.

sur ller cities with less obvious em-

Louisiana. Among the 100 largest cities in are at risk."

the United States, the percentage of children living in poverty went up from 24.8 percent in 1979 to 28 percent a decade later, according to the group, which based its findings on 1990 census figures. The figures were much higher among children New Orleans and Miami but also erty in some cities.

"Urhan child poverty is high, it

nomic problems, such as Laredo, is rising and it is pervasive," said grams and policy for the group. Texas: Rochester, New York: Fres- James D. Weill, general counsel for blamed the increase on several facno. California, and Shreveport, the defense fund. The lesson, he tors, including the loss of manufacsaid, is that "all American children turing jobs.

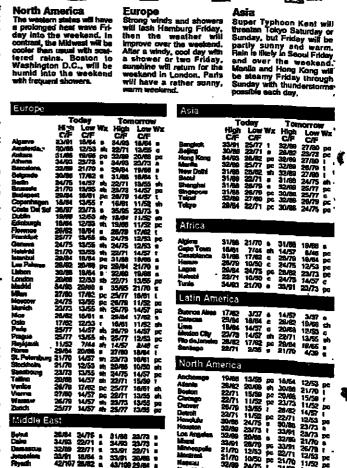
The current recession is pushing more children below the poverty line, which was set at \$9,885 for a family of three in 1989, Mr. Weill U.S. Census Bureau surveys

show that between 1989 and 1990, from minority groups, with as 841,000 more children fell into pov-many as two-thirds of them in pov-erty, nearly as many as were added erty, nearly as many as were added during the previous decade. Olivia Golden, director of pro- programs aimed at children.

She also said the government

"safety net" had become less effec-tive over the 1980s, with welfare benefits for families falling relative to inflation and a smaller fraction of unemployed families eligible to receive unemployment benefits.

The group urged adoption of leg-islation, passed last week by the House, to provide increases in food-stamp assistance and other



# CAMPAIGN '92 / SLEAZ

Baker, Long Heralded, Is Said to Be Ready

WASHINGTON - President George Bush is expected to announce before the weekend that Secretary of State James A. Baker 3d will leave his post to oversee the president's re-election campaign, Republican insiders said.

They said Mr. Baker would serve on the White House staff, rather than resign from the government altogether for the Bush-Quayle campaign itself. That is partly because of an ethics law that prohibits high officials who leave the government from having direct contact with their former agencies for a year.

On the White House staff, Mr. Baker would be in a position to keep contact with the State Department to see that the president's campaign was not harmed by foreign policy developments. Mr. Baker, a longtime Bush friend, ran his 1988 campaign. (AP)

#### This Time, Quayle Takes Aim at Anita Hill

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THE STATE OF

SACRAMENTO, California - A year after declaring war on the country's civil justice system, Vice President Dan Quayle renewed his assault on the American Bar Association by criticizing the group for honoring Anita F. Hill, the Oklahoma law professor who accused Clarence Thomas of sexual harassment.

Mr. Quayle also used two public appearances in Sacramento to assert that the Democrats remain beholden to special interests, specifically contending that Governor Bill Clinton was "in the pocket" of the country's trial lawyers.

As Exhibit A in his case, Mr. Quayle, who is a lawyer, pointed to Hillary Clinton's speech on Sunday at the American Bar Association

convention in nearby San Francisco, where Ms. Hill was given an

"Most Americans, black and white, male and female, young and old, believed Clarence Thomas and not Anita Hill," Mr. Quayle said to the California chapter of the Christian Coalition. "That doesn't matter to the ABA. To them she is a herome, because she led the attack against a man who happened to be conservative and black — a combination that makes liberals fly into a rage." (NYT)

#### House Overdraft Writer Loses After 6 Terms

ATLANTA - Representative Charles Hatcher, Democrat of Georgia, became the 16th House member to lose his seat in the 1992 primaries, falling victim to two of the year's dominant political trends — gains by minorities and voter anger against incumbents.

Mr. Hatcher, one of the most flagrant of the House bad-check writers, with 819 overdrafts, lost a runoff to Sanford Bishop, a black

state senator running in a district redrawn to give it a black majority. With 99 percent of precincts counted, Mr. Bishop had 41,529 votes, or 53 percent, to Mr. Hatcher's 36,652 votes, or 47 percent. "The people were hungry, thirsty for a change, and I think we offered it," Mr. Bishop said. Mr. Hatcher, who is white, was seeking a seventh term. (AP)

Question: If you felt that it was in the best interest of the party and

the country for you not to run, would you step aside? President George Bush: No, I don't think - well, that's too bypothetical because I don't think there's any way I would feel that way. None. Absolutely zilch. Zero. (IHT)

#### **Away From the Hustings**

After clashing over abortion, one of the most divisive issues it has faced, the governing body of the American Bar Association, in San Francisco, approved a resolution supporting the right of a woman to

• The acting secretary of the navy, Sean O'Keele, said he was confident that naval officers were cooperating fully now with Defense Department investigators inquiring into allegations of sexual assault at the 1991 carrier aviators convention in Las Vegas.

The official death toll in the Los Angeles riots declined to 51 from 60 after the Los Angeles County Coroner's Office reviewed case file and determined that some of those counted as victims would probably have died whether or not there had been civil unrest. • The federal judge who presided over a case involving illicit bank

loans to Iraq criticized Attorney General William P. Barr for deciding not to seek an independent investigation into how the Bush administration handled the case.

• The director of the National Cancer Institute criticized tobacco companies for not acting in "a socially responsible manner" with their use of youth-oriented marketing campaigns.

• Former President Ronald Reagan and his wife, Nancy, are at the Mayo Clinic in Rochester. Minnesota, this week for annual physical · Governor Pete Wilson of California is putting together a new

budget-balancing plan featuring an additional round of spending cuts to close a \$10.7 billion hole that is growing wider each day. • Three black men in Los Angeles were ordered to stand trial on charges of attempted murder and torture in the beating of a white truck driver, an incident that came to symbolize the violent reaction to the acquittals in the Rodney G. King trial.

• A probationary fire fighter in the volunteer Fire Department in Sayville, New York, was charged with setting fires that devastated the village's Victorian-era business district and killed two men who

lived above a row of wooden frame shops. Mayor David N. Dinkins's office announced a long-range plan for New York City's waterfront that would double the area for parks, esplanades and walkways while preventing gargantuan develop-

ments that block access to the shoreline. (LAT. WP, UPI, AP, NYT)

### **President Fends Off** 2d Interviewer on **Adultery Question**

1984, President George Bush was to the talks in 1984. asked again about the matter, and he warned that he would not answer "sleaze questions."

Stone Phillips, "Have you ever had

Mr. Bush, who had warned Mr. Phillips as he began his question that he might end the interview, tried to brush off the issue.

"I'm not going to take any sleaze questions," he said during the interview Tuesday. "I gave you a little warning. You see, you're perpet-uating the sleaze by even asking the question, to say nothing of asking it think you ought to do that, and I'm not going to answer the question."
Similar reports were raised dur-

When a CNN reporter asked him about the report during a news con-ference in Kennebunkport, Maine, with Prime Minister Yitzhak Rabin to China and director of central of Israel, Mr. Bush said, "I'm not going to take any sleazy questions like that from CNN."

The New York Post, in an article published Tuesday, said Mr. Bush had had a sexual relationship with Jennifer A. Fitzgerald, who was an New York Post, in an article said, "Obviously, you'd rather have a live guy."

Mr. Bush's campaign spokeswoman, Torie Clarke, called the New York Published in the New York Published in the New York Published International Publishe chief of protocol at the State De- and the National Enquirer." partment.

WASHINGTON — After angriment talks in Geneva, who died in ly denying a published report, 1986, as saying that he had arbased on purported interviews with ranged for Mr. Bush and Ms. Fitza man who is now dead, of an gerald to use a guest house during extramarital affair with an aide in an official visit that Mr. Bush made

Unsubstantiated allegations that Mr. Bush once had an affair with Ms. Fitzgerald have been bandied In an Oval Office interview for about in political and journalistic an NBC television program, Mr. circles for more than a decade. The Bush was asked by the interviewer, talk was revived earlier this year after Gennifer Flowers charged in a supermarket tabloid story that she had had a lengthy affair with the Democratic presidential candidate, Bill Clinton.

cluding The Washington Post and the Los Angeles Times, have investigated the rumor but found no evidence to substantiate it. Ms. Fitzgerald, who was out of the question, to say nothing of asking it country Tuesday, denied the rumor in the Oval Office, and I don't a decade ago to a Washington Post reporter, Ann Devroy. "I spent two solid months looking into this in Similar reports were raised during Mr. Bush's first campaign for the presidency four years ago.

the early 1980s and I never found any evidence of it." said the reporter, who was then working for Gan-

> Ms. Fitzgerald has worked for Mr. Bush since he was ambassador intelligence in the 1970s.

Richard Gooding, the New York like that from CNN."

"In this kind of screwy climate that we're in, why, I expect it," Mr. Bush said. "But I don't like it and not a crackpot or senile." Asked I'm not going to respond other than whether he was troubled that the

aide to Mr. Bush and is now deputy New York paper "below the Star

The president's response at his The newspaper article was based news conference was given extenon a book about a Washington lob-byist, "The Power House," by Su-and the three major television netsan B. Trento. A chapter footnote works Tuesday night all ran stories quotes Louis G. Fields Jr., an am-

### Republicans Repair A Platform 'Mistake'

Compiled by Our Staff From Dispatches have amended a section that implicitly criticized the president for reneging on his promise never to

Under pressure, the platform committee changed language it had already approved that called the offending 1990 budget agreement with Congress a "mistake" and that promised to try to repeal the tax

Now, the platform will describe the tax increases as "recessionary," blame congressional Democrats for them and call only for their "ultimate" reversal.

The changes were made at the request of Charles Black, a senior campaign adviser who is monitoring the platform drafting for the Bush camp. They are largely cos-metic and the dispute, by itself, did

not involve very large stakes. But the contretemps illustrated the underlying tension between the paign advertisements. president and some die-hard conservatives in his party who are upset that Mr. Bush broke his no-party's strongly anti-abortion new-taxes pledge and want him plank, which includes a call for a now to be more aggressive on cut-

Mr. Bush himself has character-HOUSTON - To avoid embar- ized the budget agreement as a misrassing George Bush, the drafters take, but he has couched it mainly an Party platform as a political error rather than a

John Taylor, a Stanford economics professor who served for two vears on Mr. Bush's Counsel of Economic Advisers and is now on the campaign staff, said that the tax increases had hindered economic growth but that the budget agreement all together was good for the economy, especially because it led the Federal Reserve to lower interest rates.

Mr. Black told reporters that the Bush campaign wanted to keep the platform "a positive vehicle."

The mistake was that it caused a recession," Robert S. Walker of Pennsylvania, a sponsor of the budget measure, said of its consequences. His co-sponsor, Vin Weber of Minnesota, said the Bush camp feared that if the platform accused Mr. Bush of a "mistake," Democrats would use it in cam-

In other action Tuesday, the platform committee ratified the constitutional amendment to ban

## 'Field Marshal' Carville's Toughest Test

James Carville is a whipper of a man, lean and bald and as tightly coiled as the innards of a baseball In his calmest moment the chief strategist for the presidential campaign of Governor Bill Clinton can scarcely sit still, and he does not so much speak as issue intermittent verbal explo-

On a recent morning, yelling into his telephone receiver as if outraged to find it in his hand, he was almost hopping up and down in his anger.

"Look!" he shouted, "Don't

give me that! I don't want to hear that! We're not messing around with these people, you hear me? We haven't won this thing in 12 years. We're in a war here, you understand that?"

The events of the past few weeks have shown that the people who work with and for Mr. Carville — and the candidate who employs them all — do grasp this point. Constantly both on the attack and the defense, Mr. Clinton's campaign often seems more military than political, and has shown itself adept at the sort of warlike politics that are generally thought of as the specialty of Republican operations.

The argot of the campaign would make a pacifist shudder. The room where Mr. Carville works and shouts is the "war room." Betsey Wright, the longtime Clinton aide who oversees the research operation that investigates and answers accusations against the candidate, is, a campaign official said, "the secretary of defense."

Mr. Carville, although he doesn't say it about himself, has emerged as the campaign's field marshal.
"He is 100 percent in charge of

the daily message and the daily countermessage," said Mark Gearan, the campaign official who oversees operations for Mr. Clinton's running mate, Senator

Al Gore of Tennessee.

"He is the oue setting the daily pace, and he is the driving force in the campaign," Mr. Gearan said. "He gives an incredible sense of urgency to the campaign. He understands that there are 80, 85 days left and that is all. That is very important because a lot of the people who are driving the day-to-day machinery of the campaign are 24, 25 years old. At



James Carville during the campaign of Harris L. Wofford for the U.S. Senate from Pennsylvania last year. Of the presidential race, he says: "We're in a war here, you understand that?"

that age. November seems like a lifetime away. Mr. Carville knows fields of Southern local races. that in fact November is right around the corner."

Each day in the campaign is bracketed by War Room meet-ings, one at 7 A.M. and one at 7 P.M., led by Mr. Carville and attended by 10 to 30 people, in-cluding the communications director, George Stephanopoulos; a media consultant, Mandy Grunwald; Ms. Wright; and the sched-

uling director, Susan Thomases.
The members of the War
Room inner circle share a notable trait: they are all experienced in the more brutal sort of politics.

Ms. Grunwald, a political con-

sultant in Washington, worked for Harvey Gantt, a North Carolina businessman who ran an unsuccessful campaign against Senator Jesse Helms in 1990. Mr. Helms won the race after attack advertisements that depicted Mr. Gantt as a supporter of racial quotas and militant homosexual rights advocacy. Mr. Stephanopoulos was the

director of the rapid-response team for Michael S. Dukakis in 1988, a lesson in failure that taught him, he says wryly, "first of all, respond."

The manager of the War Room, hired several weeks ago, is Ricki Seidman, As research direc-

By Michael Kelly

New York Times Service

LITTLE ROCK, Arkansas — Way, the public interest group.

Ms. Seidman helped coordinate an aggressive media campaign to discredit Robert H. Bork, the

1987 Supreme Court nominee. Early in the battles over the nomination of Clarence Thomas to the court last year, Ms. Seidman was hired by Senator Edward M. Kennedy, Democrat of Massachusetts. She was instrumental in encouraging Anita F. Hill, who accused Judge Thomas of sexual harassment, to testity.

The strategy and tactics that are plotted in the War Room meetings are two-sided. The Clinton campaign attacks President George Bush, often harshly, and in a way that is quite personal. In recent weeks, Mr. Clinton

and Mr. Gore have spoken of Mr. Bush as a man who has evaded responsibility for his actions, who is the willing tool of the rich and powerful, whose tenure has caused America to be humiliated and mocked around the world, who has mishandled virtually ev-ery aspect of his presidency.

But, at the same time, the cam-paign is careful to base the at-tacks largely on matters of Mr. Bush's public record. While the use of the material is highly selective and in some cases distorted. the Clinton campaign can always defend itself against charges of negative cumpaigning by saying that its criticisms, although personal in tone, are based on issues and actions that are public.

The main player in this performance is Clinton himself. In speeches and press conferences, he takes the lead in putting out both the daily attack message and the daily defense.

The candidate and his lieutenants argue that there is no similarity between what they are trying to do to Mr. Bush and what the Republicans are trying to do to Mr. Clinton.

In typical remarks, Mr. Clinton said last week that there was "a very great difference" between what he was doing and the actions of the other side, which he described as "trying to convince the American people your oppo-nent is some alien from outer space."

But much of what Mr. Clinton and his surrogates say about Mr. Bush neatly fits Mr. Clinton's description of the Bush campaign's attacks on him as "selective and personal and negative and often distorted."

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### **Bush Gets** Personal on Abortion

WASHINGTON — As the Re-publican Party drafted a platform demanding a constitutional ban on abortion President George Bush struck a less absolute tone on the issue when he was asked how he would deal with an abortion in his own family.

During a television interview in the Oval Office, Mr. Bush said that one of his granddaughters came to him as an adult and said she wanted an abortion, he would argue against it, but ultimately sup-"Of course, I'd stand by my

child," Mr. Bush said, responding to a question like one that was put to Vice President Dan Quayle last month about his own daughter. "I'd love her and help her, lift her up, wipe the tears away and we'd get back in the game." Mr. Bush Although Mr. Bush is on the re-

cord supporting a ban on abortions except in cases of rape, incest or when a woman's life is threatened. he said that the decision would be the woman's, "Well, whose else's — who else's — could it be?" he said. In the same interview, Mr. Bush was also asked what he would do if one of his grandchildren was homosexual, and he gave the same

pledge of personal support for the His answer on abortion seemed to suggest that Mr. Bush personally would leave the final decision on abortion up to the person expecting

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4 - Bids must be accompanied with a copy of the agent's tax card and the form (14 C) proving the commercial agency

# Herald Tribune.

### Mideast: Back on Track

el's new prime minister, Yitzhak Rabin. Their cordial meeting in Kennebunkport, Maine, opens the way to quick approval of \$10 billion in U.S. Joan guarantees for Israel and to real bargaining at regional peace talks, which resume on Aug. 24 in Washington. Every bit as important, civility has sup-planted sour contention in an old, valued alliance. The new mood was as evident as the smale on Mr. Bush's face, and in his hospitable embrace of the plainspoken hero of Israel's great victory in the 1967 war.

The president angered many American Jews last fall by refusing to approve the loan guarantees while Israel persisted in widespread expansion of Jewish settle-ments in disputed Arab territories. But in a June election fought on peace issues, Israelis punished the pro-settlement Likud government and turned to Mr. Rabin's Labor Party. Thus, Washington and Jerusalem are on parallel tracks heading into a sixth round of Arab-Israeli peace talks.

Confirming the new mood was a welcome decision by Mr. Rabin's government to seek the repeal of a law prohibiting people under its jurisdiction from making contact with the Palestine Liberation Organization. So objectionable is this vague law that even former Prime Minister Yitzhak Shamir drew back from imposing criminal penalties on West

#### Now the Arabs' Turn

President Bush has now made it clear that he does not intend merely to coast along in the Arab-Israeli pence talks but to press the pace and to play a major and forceful role. This was the principal result of his meetings with Prime Minister Rabin. When the peace talks resume in Washington later this month, the United States will act as a "driving force, catalyst and honest broker," he said. Not alone, he believes that conditions are ripe for a breakthrough. Israel has a government eager to move. Palestinians and Syrians, the key Arab parties, are taking up position. Regional players are, if not helpful, then unable or undisposed to make trouble. The international horizon is uncluttered.

It will be said that Mr. Bush is acting so boldly with his re-election foremost in mind - to play to Jewish voters and a larger constituency at the same time. But no president has to apologize for attempting to conduct a sound policy in the national interest.

Certainly on this issue Mr. Bush has been

earning his pay. He created the first broad direct Arab-Israeli talks. By conditioning housing aid on a reversal of Israel's West Bank settlement policy, he produced a mature turn by israel's voters and showed Arabs that he was to be taken seriously.

Rabin Clears the Way
Good for President George Bush and IsraGood for President George Bush and IsraLifting that ban is the kind of conciliatory

gesture long urged by Palestinians. So is the curtailment of new settlements by the Rabin government. This means that the Arab side can no longer dwell interminably on Israeli inflexibility. The burden is now on Arabs to come up with serious, achievable proposals, beginning with interim autonomy arrange-ments for the West Bank and Gaza.

While parallel, American and Israeli purposes are not identical. There is plenty of room for differences about, say, "security settlements, which Mr. Rabin strongly favors. But on two huge matters there is agreement: Israel's new government accepts the idea of making genuine compro-mises for real peace, and it gives priority to investing in jobs and houses for Jewish immigrants from Russia and Ethiopia.
That has also been Mr. Bush's hope, for

which he has been unfairly attacked. It was, after all, the Bush administration that airlifted Jews from Ethiopia and changed U.S. immigration policies to encourage Soviet Jews to go directly to Israel, And Washing-ton orchestrated the successful campaign to rescind the detestable Zionism-is-racism resolution at the United Nations.

In all this, good politics and human decency have gone together. Mr. Bush has earned the right to take a bow.

- THE NEW YORK TIMES.

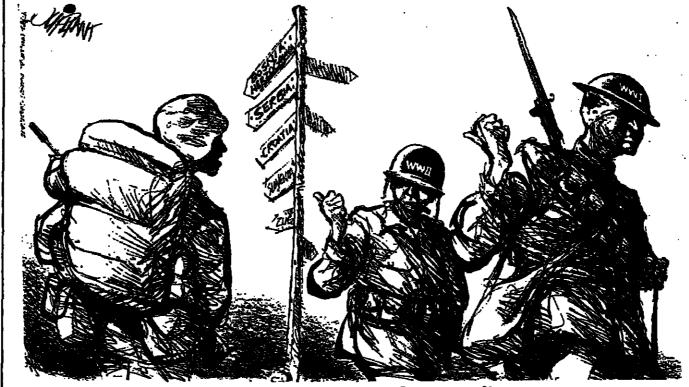
With the previous Israeli leadership, Mr. Bush scraped the nerves of Israelis and some of their American supporters. But his consul-tations with Mr. Rabin have quickly restored closeness with Israel, whose confidence in Washington must be sustained if it is to take the risks necessary for peace. Israel's return to the accepted formula of land for peace is a sturdy basis on which the housing loan guar-

antees can now go forward.

The United States is making a show of support for the negotiating positions Israel will take into the Washington round. This reflects the special favor that Israel is again reaping in the United States; it is also essential to induce Israeli flexibility. Some Arabs fear that the Israelis have locked Mr. Bush into support for improved but still inadequate bargaining positions. But this ignores that Israel has a far greater interest than the United States in exploiting the historical moment. There is good reason to believe that this is the way Mr. Rabin intends to go.

Of course, there will be no progress if any party gets the idea that the United States means to "deliver" Israel. The Israelis made some policy changes to fit themselves out as a plausible diplomatic partner. The way for Arabs to win further changes is by making changes of their own at the table.

- THE WASHINGTON POST.



'Pardon me -- which way to the quagmire?'

### Make the United Nations the Peacemaking Power

WASHINGTON — Where is a world police-man when you need one?

Carnage and atrocities inflame Bosnia, anarchy and famine afflict Somalia. Defiance and renewed

Cold War world. Unwilling or unable to intervene

Nations peacekeeping efforts.

Getting America to provide the moral, fiscal and military support required to turn the UN into an effective agent to restrain regional conflict will

a changed world is most developed - and most confused. It is a debate mired in the past and

Vietnam or Lebanon. It is not an inevitable quagmire so complex that America's military and By Jim Hoagland

done by the Europeans on their own. But Europe's powers will not act in this crisis.

Cyprus and Northern Ireland and will not go to Yugoslavia. Germany is prisoner of the history of the Nazi occupation of the Balkans and will not (and should not) go. France, traditionally allied with Serbia, is politically limited in what

In any case, Desert Storm proved that European military forces cannot fight a modern war beyond their own territory without the logistical and intelligence infrastructure that only the United States can provide. Not only will the Europeans not go,

It is instead an era in which America must take the leadership in shoring up an international system that would prevent rogue states from carrying out massive human rights abuses or punish them if they do. And that system would have to be run, alas, through the United Nations Security Council.

By William Pfaff

Alas? Yes. Increasing the strength and role of the United Nations by giving it peacemaking pow-er is a necessary evil that needs to be carefully watched, not an unmitigated joy or a great idea whose time has at last come.

Peacekeeping as practiced by the United Na-tions for the past two decades has been a largely consensual affair. Soldiers from Canada, Fiji, Ireland and other countries without global military ambitions have donned blue helmets and gone in to separate warriors who have agreed that they

The appalling carnage in Bosnia shows the shortcomings of that passive approach to collective security when bipolar confrontation no longer serves to restrain local conflicts. A new activist secretary-general, Butros Butros

Ghali, has read the message clearly and is urging Security Council members to consider granting the organization permanent forces, a standing military budget and a command staff.

These revolutionary steps would take the United Nations into peace enforcement — military actions to establish and hold truces, against the will of the emphatical if research.

of the combatants if necessary.

Such multilateralism goes against the American grain. But Bosnia and other conflicts show the need for strengthening the overtaxed United Nations. America in particular should no longer con-fine itself to treating the United Nations as part of the global security problem. America must reinc-tantly, cautiously but unmistakably commit itself to making the United Nations part of the solution.

haps 200 will die today.

Although the International Red
Cross has mounted the largest relief,
effort in its history, it is too dangerous
to take food to some areas, and supplies are often stolen by gunnen or
sold by profiteers. Relief kitchens have graveyards flanking them, so that those who die waiting for food may be buried while the line moves on. Eurocentrism was a kind of catch? word not long ago amid the scornful discussion of multicultural curricula in America's public schools. Were we go-

Meantime,

Somalia

Is Worse

By Anna Quindlen

N EW YORK — The two children are the only survivous of their family, but not, it appears, for long.

in news footage they sit naked on the ground, their spindly arms

rent by internal power struggles, there is no food, and so they starve

while worlds away the politicians,

But these children are not in Bosil

nia, now the center of world atten-tion. They are in Somalia, an African country living through — and dying of — a lethal combination of clan

warfare, drought and famine that has wrought what one U.S. official called

the worst humanitatian crisis in the world right now. Millions of people in Somalia are in danger of starving to death in the months to come. Per

puzzle over what to do.

wrapped around each other, the inevitability of their imminent deaths in their sunken eyes. In their homeland,

ing to throw out Shakespeare, cease to teach the Magna Carta, minimize the role of Napoleon in world affairs? But the truth is that America is a deeply Eurocentric nation, and for obvious reasons. Many of its people have roots in Europe. When we Americans hear of Serbi-

an-run concentration camps we relate them, with renewed outrage, to the atrochies of Nazi Germany. Wheir Americans see Bosnian orphans crying in the windows of buses, offers pour in to adopt them.

Bosnia, with all its horrors, is at the center of public and political dialogue, and Somalia, with all its horrors, is a peripheral discussion. "It's racism," said Jack Healey, executive director of Amnesty International.

And a peculiar sort of myopic ignorance. Civil war and unconscionable internment in Bosnia seem man-made evils, subject to man-made solutions: But Africa is a mystery to Eurocentric America, even to many African-Americans. Its troubles seem like Old Testa: ment plagues, irresolvable and inevita-

There is nothing inevitable about the corpses littering the landscape of Somalia. There are no easy solutions for a nation of nomads who have been prevented from planting crops by the ravages of civil war, a country that has almost no government aside from vil-lage elders in dying towns.

There are no easy solutions in the former Yugoslavia, either, where factional hatreds are a tangled web stretching back centuries. But there is now sharply focused attention by the international community on what should be done and who should do it. Somalia deserves that same intense attention, from George Bush, Bill Clinton, the American people and

U.S. allies abroad.

The United Nations has agreed to airlift food into the Somalian interior. but that is neither an adequate nor a long-term solution.

Senator Nancy Kassebaum, the Kausas Republican who sits on the Senate subcommittee on African affairs, supports the use of an international force to make sure food ship-ments reach the people. But she says the United States must have a continuing commitment to development in African countries instead of a crisis

management approach.

Just a year ago some of us, umpersuaded by the high moral principles involved in giving our all for cheap oil, were saying that America could no longer afford to police the world. With the president's Gulf War bluster about liberation, we lost sight of the best reason to involve ourselves in foreign affairs — because it is sometimes the moral thing to do.

The new secretary-general of the United Nations, Butros Butros Ghali, an Egyptian who is the first leader of the United Nations from the African continent, has referred to the Bosnian conflict as the "rich man's war." He means it is a white man's war, a European war, in its combatants, its victims and its international interest. That makes aid no less necessary.

Just as the color of its childrent must make no difference in our help for Somalia. Surely our attention span can encompass two mortal crisses at once. Surely our empathy can transcend race.

threats rise from Iraq's rogue regime. Cambodia's uneasy peace teeters. Wars in Central Asia are no less grun but remain largely beyond camera range.

This list turns out to be the agenda of the post-

in these cases of massive suffering and human rights abuses, the world's major powers must now reassess and jettison the benign neglect they have traditionally adopted toward United

require major changes in American thinking.
On the growing list of conflicts, it is in exYugoslavia that the debate about America's role in

clouded by misleading historical analogies.
Yugoslavia is not Iraq. There would be no quick decisive military result; there are no endangered vital interests that justify sending an American invasion force. The Balkans do not provide the proving ground for Operation Desert Storm II. But neither is Yugoslavia necessarily a new

political leaders will automatically repeat the mistakes they made in the 1960s, as if they had learned nothing. The choices in 1992 do not have

to be for America to do everything or nothing. Many Americans who agree that something should be done about Bosnia feel that it should be

Britain is prisoner of its costly experiences in it will do. as is Russia.

they could not get there on their own if they tried.

Does this mean that U.S. commanders should

lead American troops into the Balkans, carrying along token European units, as they did with Arab units in liberating Kuwait? In no way. The post-Cold War era is not one in which Americans either will or should bear any burden or pay any price to hait others' conflicts.

Aggression, Purge, Murder — as the West Dithers many and Spain all are combinations of many different ethnic stocks. The Prassians, who created modern Ger-

many, are not Germans at all, but Balts, like the Lithuanians and Latvians. The Normans of France, who conquered England in 1066, were of Viking origin. The Anglo-Saxons are German tribes who settled Britain On the other hand, Serbians, Croatians and Bosnians are all the same people, speaking the same language, who profess different religious and

have had distinct historical experi-ences, producing lasting hostility among them. There is no "ethnic conflict in Yugoslavia. The war is one of religions and histories. The ancient pattern of migrations

from Central Asia to Europe left each successive wave of peoples mingled with those who went before, or settled in overlapping areas. This mix-ture had relatively undramatic consequences until the modern idea of the nation spread to the backward re-gions of Eastern and Balkan Europe, then emerging from Hapsburg or Ot-toman domination. Each individual "race" or nation there became convinced that it should have its own state and government, its own army, its own exclusive frontiers.

In theory, one can accept an argument that if the Serbs want their own state, or the Croatians, they should have it. The practical objection is that they can have it only at the expense of others. If those two were capable of negotiating a new frontier between them, and a peaceful transfer of populations, the international commu ty would have little reason to object. What is unacceptable is that they expand by aggressive war, conquest and "ethnic" — which in their case

International Herald Tribune

means religious — purge and murder.

That would seem a simple enough principle for the Western powers to defead. Unfortunately, Washington, London and Paris seem unwilling to defend it, or even to admit that this is indeed the principle at stake.

#### C Los Angeles Times Syndicate. The New York Times.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1892: A Consul's Labors LONDON -General New, the Consul-General of the United States,

gives an account of his experiences with American travelers. He has been required to mention forthwith where the cheapest goods could be pur-chased, the shortest route between towns as distant as Inverness and Milan, and so lorth. He is also expected to give his visitor a recommendation to his tailor and thus to make himself responsible for any debt the stranger may run up. He is at the beck and call of every busybody or lounger who has nothing to do. They walk into his room without ceremony, sit on the edge of his desk, and never think of removing their head-covering.

### 1917: Order in Spain

MADRID — According to reports, regular train services are being maintained. A number of strikers have resumed work. The President has informed the press that the Govern-

and the second of the second s

ment has taken every possible pre-caution to avoid the general strike threatened by revolutionary clements. The King will leave Santande soon to return to Madrid, where he will preside over a Cabinet Council.

### 1942: Japan Thwarted GENERAL MACARTHUR'S HEADQUARTERS, Australia

[From our New York edition]: Whatever the outcome of the Allied offensive against the Solomon Islands — and the latest information here tonight [Aug. 12] is that it is progressing satisfactority—one incontrovertible result has been attained; It has put a serious dent in the Japanese timetable and may alter the enemy's plans to such an extent that the allies will be able to retain a certain degree of the initiative. Without minimizing the Japanese, threat still hanging over the South-Pacific area, it can be said that the Solomon offensive was a tremendous blow to their plans for transforming.
Tulagi into an important base.

### Republican Accounting

tion batting practice on the economy in the last few days -and hit a lot of pop-ups. The problem is not so much that they disagree on economic policy as that the policy on which they mostly do agree has produced a result

they feel it necessary to disown. Tactic One will apparently be to declare easy to make. Representative Richard Arthe policy an orphan. It wasn't theirs; theirs mey, ranking Republican on the Joint Ecowas never really tried, but was done in by the Democratic Congress (and the Federal Reserve) before it had a chance. Whatever went wrong was accordingly not their fault. And then there is Fallback Two, which is that the other fellow would be worse.

The Republican theory in 1980 was that the country could have it all ways at once: Ta. es could be cut while defense spending was 'ncreased, and still the deficit would come down. The magic carpets would be growth and domestic spending cuts. It didn't happen. Instead the contradiction generated record deficits and a fourfold

The true-believing wing of the party suggests that the cure should be a second roll of the same dice. The modest tax increase to which the president agreed as part of the effort to reduce the deficit in 1990 has been renounced as a mistake. Stalwarts (although not yet the president) propose instead another round of tax cuts even larger than the ones in 1981 and mainly for the benefit of payers in the highest income brackets; from there

the benefit would trickle down. Why didn't the policy work as advertised before? "The problem was that Congress

couldn't bring spending under control," Senator William Roth, co-sponsor of the 1981 tax cut, has said. Never mind that not even Ronald Reagan, much less George Bush, has ever been able to identify the domestic spending cuts that their mythical view of the government says should be so nomic Committee, has added that the public needs to "understand that with the great power grab of 1974" - meaning the shift to the present budget process — "the presi-dent cannot make fiscal policy any more." The "instruments," as he called them, "are

controlled now by Congress."

Thence to Bill Clinton, whom the Republicans call a tax-and-spender who would be a captive of the Democratic Congress no less than was President Carter, against whom they still think they can run, Republicans say the Democratic candidate has not faced up to the deficit - which, unfortunately, in our view is true - but it is they who own that deficit. They warn that a Clinton fiscal policy would stultify growth — in an economy that for four years has scarcely grown. They de-nounce the Democrats as "the party of government" while "we are the party of opportunity." as Senator Phil Gramm put it. But more opportunity for some than for others; witness the 10 million unemployed or the tenth of the population on food stamps or the lifth of all children living in poverty. The economy is not the Republicans' most congenial issue this time around.

- THE WASHINGTON POST.

### Other Comment

### Somalia: How Many Deaths?

Civil war, drought and famine could easily push the death toll in Somalia to well over week. Their booty, the only available rice in the 1 million mark unless the international a country dependent on rice, is the only community intercedes quickly. As many as currency of any value in Somalia. More 4.5 million Somalis are in scrious areas. World Food Program has simpled estimates. At least one-third of that number tons, due in Mogadishu by the end of this month. But the looting and shooting make 4.5 million Somalis are in serious need of

fighting stops and relief supplies get through.

Tens of thousands of children and adults have died in Somalia since the former leader, General Mohammed Siad Barre, fled the fighting in January 1991. They are the casualties of an internecine war. Unlike wars inspired by tribal loyalties, this fighting pits members of the same Somali clans against one another. They are well-armed.

Thugs, many of them teenagers, have

MATERIAL MATERIAL

stolen tons of food and medicine from airplanes, relief convoys and food camps. They stole 40 tons from the Red Cross last food is in the pipeline. The United Nations World Food Program has shipped 23,000 distribution dangerous and impossible.

As the death toll mounts, the United Nations must send in hundreds, perhaps thousands of guards to guarantee safe pas-sage for relief workers, food and medicines. The Somalia crisis is much worse than the great famine that killed more than I million Ethiopians in 1984-1985. The world responded then, and it must now.

- The Los Angeles Times.

#### INTERNATIONAL HERALD TRIBUNE KATHARINE GRAHAM, ARTHUR OCHS SULZBERGER

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#### tration camps, etc. The Western governments contin-The second is to seize and punish ue to search for ways to satisfy an

ing, are supposed to be the subject of resolutions to be put before the Unit-ed Nations Security Council. The third is to defend or restore the international frontiers between Serbia. Croatia and Bosnia-Herzegovina, which have been recognized by the European Community and the United States but have been overrun. chiefly by the Serbs to create a "Greater Serbia" uniting all of the ex-

PARIS — There are four possible

Yugoslav regions in which substantial Serbian populations exist.

The fourth is to halt the quasigenocidal Serbian (and Croatian) campaigns of "ethnic cleansing" of the territories they have seized.

The first objective tends to contradict the third and fourth. Helping the besieged without ending the siege is merely to help the victims of aggression survive today to die tomorrow. Evacuating civilians and prisoners from territory meant by the Serbs for ethnic cleansing is to do the Serbs'

#### work for them at international ex- different "nations," peoples and relipense. In circumstances such as gions. Political unrest or rebellion these, the second UN objective — might be generated by misrule, but

I justifications for intervention in the Yugoslav crisis. The first is humanitarian: to defend convoys and air missions to feed people in besieged cities, evacuate casualties and civilians, rescue prisoners in concen-

ing the serious issue posed by this crisis. Once again, as at Munich in 1938, the chief concern of Paris and London - and today Washington sion, but to find a face-saving way to avoid doing so. The West still refuses to deliver arms to the Bosnians, and mbargoes others from doing so. (One thinks of the British and

French ministers in Prague awakening President Edvard Benes from his sleep nt 2 A.M. on Sept. 22, 1938, when Hitler had delivered his ultimatum, to tell him that if war broke out the Western powers "would hold the Czechs responsible for any catastro-phe which followed.") Behind what Serbia is doing is the

superficially reasonable, but in practice pernicious, theory that every "na-tion" should have its own state. This breakdown of the dynastic system. Monarchies in old Europe ruled over

punishing war criminals — is mere not because the rulers belonged to a rhetoric and will never be achieved. taken for granted. After the French Revolution and

that they should fight not only for political and religious liberty but also against being governed by foreigners. Lord Acton, the great 19th century liberal historian, wrote that "protest against the domination of race over race ... grew into a condemnation of every state that included different races, and finally became the complete and consistent theory, that the state and the nation must be co-extensive." He added that this was "a

retrograde step in history."
As a theory, this was defensible. In practice, it has produced war, terrorism and what we have now learned to call "ethnic cleansing" — a Serbian contribution to the political vocabulary that we would be better without. It does so because, in Europe the main place where this theory has been applied — the "nation" (what

Lord Acton referred to as the "race") has virtually no historical connection with the state Britain, France Ger-

## ASEAN: Now for the Next 25 Years

S INGAPORE — The Association of Southeast Asian Nations was 25 years old on Saturday. Its record of cooperation compares fa-vorably with that of any other post-

colonial regional grouping. Founded in 1967 by Indonesia. Malaysia, the Philippines, Singa-pore and Thailand, and joined by Brunei in January 1984, ASEAN has become identified with economic progress. At its annual meeting last month, in Manila, ASEAN foreign ministers held discussions on regional security with counterparts from the major powers.

been mixed. Dean Acheson remarked in 1962 that Britain had lost an empire and not yet found a role. In 1992, ASEAN has lost a conflict and may not yet have found a regional security role. Such a role has always been its prime ambition, despite its obvious attention to economic cooperation.

ASEAN has bolstered regional security through political cooperation. It has never constituted an alliance; its members have never agreed on any external threat against which they would be willing to deploy joint military power. An ASEAN task force to police the region is not a likely prospect.

ASEAN's key words have been conciliation and collective diplomacy. In the 1980s, that diplomacy was used effectively in the Cambodian conflict, but it lost its edge when the United Nations Security Council assumed responsibility for resolving that issue. ASEAN has since been afflicted by a sense of drift over its security role, reinBy Michael Leifer

forced by disturbing changes in the regional halance of power.

The breakup of the Soviet Union has removed one factor from that balance. Japan remains constrained, internally and externally, from exer-

miernally and externally, from exer-cising military responsibility abroad.

And the United States appears to
have turned a blind eye to China's
creeping assertiveness in the Spratly
Islands in the South China Sea, some
of which are claimed by three ASEAN members - Brunei, Malay-China's claims to sovereignty over the islands have prompted ASEAN to embark anew on collective diplomacy. In Manila, its foreign ministers urged that conflicting claims in the South China Sea be resolved without force. They called on all claimants to abide by the terms of a

Treaty of Amity and Cooperation, concluded by ASEAN heads of governments in 1976. The treaty contains a code of conduct for regional states that the foreign ministers suggested should be employed for the South China Sea. It also provides for peaceful settlement of regional disputes. The treaty was opened at the outset to nonmembers in Southeast Asia. Victnam and Laos finally secoded to it in

Manila last month. The treaty provides for peaceful settlement through a High Council comprising representatives of ministerial rank from each contracting government. Should parties to a dispute he unable to resolve matters through negotiations, the High ternational Herald Tribune.

Council may proffer its good offices. If the parties agree, it can then be-come a committee of mediation, inquiry or conciliation. Such a provision, while no pana-

cea, offers ASEAN governments an

opportunity to show that they have

the will to grasp contentious issues in the interests of group cohesion and international standing.

Contention over territorial and maritime issues has sparked testy diplomatic exchanges, for example between Malaysia and the Philip-pines, Singapore and Malaysia, and Indonesia and Malaysia. Although the treaty was concluded in 1976, the High Council has never been set up.

No attempt has been made to invoke

its dispute settlement machinery. ASEAN governments have reason to congratulate themselves on 25 years of cooperation. The habit of consultation among ministers and officials has become part of an institutional culture that helps avoid and control conflict. But ad hoc consultation may no longer be sufficient.

If ASEAN wants to continue to be taken seriously, it must begin to put its house in order. ASEAN governments should express confidence in their machinery for dispute settlement within the 1976 treaty by using it to resolve differences. Such an initiative would lend greater credibility to a newfound collective diplomacy that ASEAN cannot underpin with military power.

The writer, professor of international relations at the London School of Economics and Political Science, contributed this comment to the In-

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### **OPINION**

# Meantime, Somalia Bush Can Safely Pass Up Recipe The Kemp & Co. Recipe

By Hobart Rowen

WASHINGTON — Jack Kemp and other self-defined "true" Republican conservatives are urging George Bush to save his presidency by returning to supply side economics with a series of major new tax cuts, and de-emphasis of the balanced budget goal. They also demand a whole new concept of govern-ment, one in which it gets out of the way, is "less burdensome, less intrusive" and lets the private sector take over.

In a long memorandum prepared for party officials by Wall Streeter Lawrence Kudlow of the Bear Steams investment firm. Kemp & Co. call for a return to the "formula with which our party won in 1980, 1984 and 1988" and which "will

This is our first look at what could be a Kemp or Quayle platform for 1996. But Bush will have a problem buying it for 1992.

win again in 1992." It is "the classic formula for economic growth: low tax rates, sound money and deregulation." Their wish list also includes "sound money," and a Federal Reserve target of zero inflation (no mention of the impact on employment). The only thing omitted from a typical mean of right-wing nostrums is a return to the gold standard. That can be imagined, though, reading between the lines of a call for re-establish-

ing "a stable world monetary platform."

The Kemp/Kudlow memo gives us our first look, just days ahead of the Republican National Convention in Houston, at what could be a Kemp or Quayle platform for 1996.

But Mr. Bush will have a problem buying it for 1992: The underlying Kemp/Kudlow theme is that his is a sailed administration; that instead of siressing economic growth he has been seduced and co-opted by "old Republi-can exhortations about the balanced budget amendment or the line-item veto."

The memo adds: "'Celebrating the American Spirit' at the convention is a fine idea, but we must not let it turn into a celebration of the status quo ... People are willing to forgive past mistakes, but they won't forgive a lack

of vision for the future." The memo, marked "personal and confidential," was volunteered for publication by Mr. Kudlow. His main concern, he told me, is that the insee budget defi-cits officially projected for the rest of the '90s open the possibility that Mr. Bush will make new budget deals with the Democrats, raising taxes once again.

Mr. Kndlow's solution: downsize gov-

emment, making room for tax cuts that will remyigorate growth. But in making this case, Kemp & Co. are forced to

decide the Bush economic growth targets of I percent to 2 percent as "miacceptable" and "anemic." In so doing they unwittingly provide valuable raw material for the Cimton-Gore campaign.

"This is supply-side revisited, the fantary of 10 areas and 10 ar

tasy of 10 years ago," Derek Shearer, an economic adviser to Governor Bill Clinton. "If they want to play that game, we'll be very happy." The Democrats can make sound bites out of the follow-

ing Kemp/Kudlow statement:
"Consider that if the U.S. economy had grown at 3 percent instead of 0.7 percent over the past four years, Americans would have produced an additional \$978 billion in goods and services, created 8 million additional jobs and, as a consequence, paid \$251 billion in additional tax revenues.

"If the U.S. economy slips further be low its long-term potential to grow, the cumulative loss will exceed \$3 trillion, a disastrons potential loss which is already being sensed by the American people." It is hard to fault the Kemp/Kudlow

case that growth has been miserably lowin the Bush years. The Democrats agree; a recent report by their congressional study group shows that it is actually the worst stretch since Herbert Hoover.

The operative question is whether the 'Republican right-wingers have the right answer when they propose a Jerry Brownstyle flat tax reducing "the 4,000 pages of the tax code to 40 or, better yet, to 4."

They would thus abandon proposes:

They would thus abandon progressivity in the tax structure, exempting those with the highest incomes from paying the highest tax rates. Capital gains taxes would be slashed to a maximum of 15 percent, and to zero for longterm investments, another benefit for upper-income groups. Moreover, they would have Mr. Bush publish an executive order to "index" the capital gains tax, that is, allow business and individtrails to escape taxes on any part of a

capital gain altributable to inflation.

Treasury Secretary Nicholas Brady said that this would be nice to do but that the Justice Department thinks the administration does not have the legal power to index gains by executive fiat. Although the word out of the White

House is that the Kemp proposals will not be rejected out of hand, in an effort to "unify" the Republican Party, Mr. Bush would be well-advised to drop the memo in the circular file.

The president may desperately need a pro-growth program, but as Mr. Clinton has argued, the way to get it is to expand investments in the public sector as well as in the private sector. This is no time to turn the clock back by privatizing every-thing from the Weather Service to the Strategic Petroleum Reserve. U.S. cities are deteriorating; the underclass everywhere in the economy needs more, not less, help. Mr. Kemp and Mr. Kudlow ignore the relevance of the public sector. The Washington Post.



### If I Got Here I Can Get There, Thank You

N EW YORK —On a warm day this spring I was walking back to my office after getting some cash at the bank. While I was waiting for the traffic light to change so I could cross the street, someone suddenly grabbed both IIIV Honer arms from behind

Another violent street crime in the big city? No. 1 am blind, and it was a man who wanted to help me cross the street.

#### MEANWHILE

He didn't say a word. I had no warning. He just walked up from behind and grabbed me. I jumped, spun around and said, "What are you doing?" He said, "Excuse me," and walked away.

An isolated incident? No, this happens regularly as I walk the streets usi my white cane. People yell at me, push me, pull me and grab my clothes. Recently, as I was walking in my

neighborhood, a man coming toward me said: "You are approaching the end of the block. The curb is about 10 feet away. Can I help you across the street?"
I said, "No, thank you." I had not asked for help; he simply assumed I needed it because of my blindness, and interrupted my quiet walk. Once, near my office, a Consolidated

Edison crew was digging in the street. One of the workmen grabbed my suit

By Jay D. Leventhal

jacket with his dirty glove and said he would walk me around an obstruction. I would have found the obstruction easily with my case, but I did need help to moving the dirt from my jacket.

People who can see do not acknowedge or respect the personal space of

People are unable to see me as just another person who dresses himself, takes the subway, has a job, has hobbies and functions as a "normal" person. People I have never met will ask me how and when I became blind - they would

never ask a stranger who is not blind for details of his medical history.

During job interviews I am asked about how I made it to the office rather about how I made it to the other must than about my qualifications. I often must make new acquaintances feel comfortable about my blindness before we can discuss ment for blind people at the American Foundation for the Blind, contributed this

with my cane, but I did need help re-presumption that I need help is insulting. It is still acceptable to assume that blind people are incompetent. This is prejudice and it is apparent in every-thing from the belief that a blind judge is incapable of serving on the beach to a

the street and I jump in surprise or yell or

ledge or respect the personal space of blind people. It stems from a combination of fear, pity and ignorance.

From early childhood, people are taught through religion and popular culture that, besides death, blindness is perhaps the most awful thing that can happen to a person. Seeing a blind person triggers anxiety: How could anyone possibly continue living without sight?

prejudice and it is apparent in everything from the belief that a blind judge is incapable of serving on the bench to a waiter assuming I won't be handling the check for my dinner date.

Blind people have reliable methods of traveling, using a guide dog or a cane. By distracting us, people interpretation to a person triggers anxiety: How could anyone continue living without sight? few times and then offered to help you get somewhere. Think about it.
We got to the point where you met us,

and we are capable of getting to our destination the same way. We are also used to asking for assistance when we need it. If we don't ask, we don't need it. So the next time you see a blind person on the street, keep your hands

When a total stranger touches me on comment to The New York Times.

#### LETTERS TO THE EDITOR

#### Bosnia: If the Will Can Be Found, There Are Solutions

In response to the opinion column "Europe Can't Afford to Appease Serbia" (Aug. 3) by William Pfaff:

As the carnage in Sarajevo continues, the criticism of the West's negligence and subsequent calls for military intervention in Bosnia are certainly justified. But to compare the situation to the 1938 "Czechoslovakian sellout" is surely a distortion of events.

Clear political goals are needed to define the shape of a military interven-tion in Bosnia. To criticize Western Europe for "doing nothing" except for par-tisan advantage is misleading, because it ignores the European Community's success in forcing settlements in Slovenia and Croatia. On the other hand, going in to Sarajevo with guns blazing is not only irresponsible but certain to aggravate an ady tense situation. Action is imperative, but so is direction.

> ANDREW TOPF. London.

Mr. Pfaff's opinion column is part of the problem: Finger-pointing and an-cient defeats are irrelevant to a hereand-now solution in Yugoslavia.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Let-ters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Serbs, Croats and Muslims cannot live peacefully in a unitary Bosnia at the pre-sent time. Therefore the Muslim leadership, which is holding out for the better deal via foreign intervention, must be pressured to accept a Swiss canton-style Bosnia, a solution agreed to in principle by the Serbs and Croats. The Serbs and Croats must in turn be pushed to relinquish territory to the Muslims based on population, division of regional wealth and former land ownership. UN forces must supervise canton boundaries, minority rights and removal of weapons. Only when conditions are normal should

> DON SIMPSON. Thombury, Victoria, Australia.

the cantons decide if, and to what degree,

their future lies together or apart.

In her opinion column "Stop the Excuses: Serbia Should Get an Ultimatum (Aug. 7), Margaret Thatcher has outlined a commonsensical plan of action for restoring some civilized order to that re-gion. The baroness should be entrusted with the supreme command over the European forces of NATO, which possibly could include logistic units from Russia. She has shown in the past a firm hand at the helm of Britain during peace and war. ANDRE S. MEYER.

I happen to agree with the UN secretary-general, Botros Butros Ghali, that Europe needs to take responsibility for ending the mess in Bosnia and the rest of

Belp, Switzerland.

former Yugoslavia. ("Butros Ghali's Style at the UN Arouses Undiplomatic Wrath," Aug. 4). The Germans had no problem pushing quick recognition of the new nations, yet failed to "line up their ducks" (even the willing French) to enforce the new borders.

I appreciate the Serbs' history. But they must now be stopped in their griev-ous error, caused by the cheap play on their historical memory by politicians (such as Slobodan Milosevic) who obviously will stoop to anything to retain power. My heart breaks to think that only severe military action by the West can stop this. Serbs are inherently honest people, and the clear, honest approach of Mr. Butros Ghali will be far more effective in stopping this civil war than the weak, hypocritical approach prevailing in Europe and being backed by the U.S. president.

TERRI O'BRIEN.

There is something terribly wrong when the president of the United States says that "human treatment of the peo-ple in these concentration camps" should "be guaranteed" ("Bush Urges UN to Allow Force for Bosnia Aid," Aug. 7). Doesn't he, as millions of others, yet know what concentration camps are all about? Does he want to know? SERGE BESSMERTNY.

Rabat, Morocco.

If force is used in the former Yugoslavia, it is not enough simply to halt the dicipation in the violence? If the police

and the defeat of what the Pope has called "those who want to kill." TRACY DANISON.

#### South Africa Can't Wait In response to "Outside de Klerk's Of-

fice, Blocks Serve Notice" (Aug. 6): The African National Congress's two days of "mass action" have come and gone and now it is time for its leadership to take stock and offer concrete ideas for the resumption of the constitutional talks. Unfortunately, strikes and other forms of mass protest do not contribute significantly to the settlement of complicated problems. The only way ahead in South Africa is for the ANC, Inkatha and other black groups to negotiate with the white regime for an enduring solution to the political problems of the country.

Whites know there is no turning back. Both sides must compromise. Failure to do so at this crucial moment will not only jeopardize the future of South-Africa but risk plunging the country into deeper conflicts.

LAZARUS JAWIYAMBE.

Tragic as the Boipatong massacre has been, I cannot recall any outcry from the African National Congress or with this one is strictly on money," this its allies at a similar massacre in April should not be the last word. of inkatha supporters in Crossroads.

Where is the evidence of police par-

killing. It should be used to assure the victory of the friends of a free society taken against those involved. It is easy to accuse but difficult to prove. Thousands of South Africans fought in World War II to save their land from

dictatorship. I hope it will not happen again — in the guise of democracy. J. L. VAN SELM.

#### Radio Liberty Under Fire

The report "U.S. Panel Calls for the End of Radio Liberty" (Aug. 5) draws attention to the threat to two important yet underestimated organizations, Radio Liberty and Radio Free Europe. The opinion of a presidential commission is well and good, but who is actually on this commission? Have they ever visited the countries served by these broadcasters? Whose interests do they represent?

According to the people best able to judge these broadcasters quality, namely the dissidents now forming the governments of the Central and East European states, Radio Liberty and Radio Free Europe are the two most capable, credible, informed and thorough sources of information in these regions.

Radio Free Europe and Radio Liberty have rendered decades of service in building democracy and liberty in the former East bloc. Even if President George Bush says that "the difficulty

> ERIC NOEHRENBERG GUNTER LEWANDOWSKI. Basel, Switzerland.

### **GENERAL NEWS**

### Latin America's Troubled Democracies

By Don Podesta

Washington Past Service eas in every
BUENOS AIRES — The all-time greatest last decade. song, President Carlos Saul Menem recently said, is the time that Frank Smatra made famous, "My Way." Mr. Menem acknowledged owning 15 versions of the classic, which celebrates refusal to compromise.

For the most part, Mr. Menem has indeed had things his way — when necessary, simply by issuing decrees to get around a recalcitrant Congress.

Halfway through his six-year term, Mr. Menem has issued about 100 "decrees of necessity and urgency" on everything from sending warships to the Gulf last year to confiscating fixed-term savings deposits to donating cement to Bolivia for construction of a road. His predecessor, Raul Alfonsin, issued just eight in the ive and a half years he was in office.

President Alberto Fujimori of Peru, who assumed dictatorial powers in April with the backing of the armed forces, has issued tens of thousands of regulations, compared with 200 issued by the Congress before Mr. Fujimori disbanded it, according to Hernando de Soto of the Institute for the the Institute for Liberty and Democracy, a private research organization in Peru. More than 99 percent of all rules in Peru are made by the executive branch, he said.

There is more to democracy than "electing a dictator every five years," said Mr. de Soto. It is also about "decisions made in a transparent

Most of them are embracing policies long promoted by the industrialized West: open markets and the privatization of large state saud Mr. Collor's style had contributed to his country's "dysfunctional politics" by creating an "imperial presidency" that dominated the mass media. "Now society realizes it can't depend on one man," be said.

Mr. Collor's campaign, Mr. Guimaries said mass like it can't depend on one man," be said.

President Carlos Andrés Perez of Venezuela narrowly weathered a military coup attempt in February. Last month the legislature denied him permission to travel to Spain for a meeting

of Hispanic leaders. Colombia's president, César Gaviria Trujillo, was also kept home, as his government faced a crisis involving the escaped drug chief, Pablo Escobar Gaviria. In Brazil, Fernando Collor de Mello, the first

directly elected president there since a military takeover in 1964, is in danger of being im-peached amid a scandal involving illegal use of campaign funds. Both Mr. Collor and Mr. Fujimori were surprise winners when they were elected, outsiders with little or no organized party backing who offered the voters a change from politics-asusual. But what was an asset in an election campaign — independence from the traditional

Elected presidents have replaced military rul-ers in every country across the continent in the last decade.

Most of them are embracing policies long

disappointing," said Ulysses Guinnaräes, one of Brazil's most respected congressmen. "Now people will want experienced candidates and will want to know their biographies."

Another legislator, Antonio Delfim Netto, said Mr. Collor's style had contributed to his

dential politics in the United States, "against the parties and messianic." But Mr. Guimarães acknowledged that Mr. Collor's campaign struck a chord among Brazilian voters by ad-dressing a major weakness in South America's young democracies: ineffectual legislatures.

"Democracy doesn't function well because the parties don't function well," Mr. Guimaräes

Changing the system of legislative representation to single-member districts would go a long way toward making the Brazilian Congress

more responsive, Mr. Guimarkes and other Brazilian legislators have argued.

The Peruvian Congress that Mr. Fujimori closed, accusing it of obstructing his policies, was elected under a system of party lists. Traditionally in the politicism. nionally in Peru, Mr. de Soto said, the politi-cians who get on the lists are chosen by party bosses, or caudillos, and as a result the alleparties — has proven a liability in governing.

"The experience with Collor has been very candillo, not to his constituency."

### PROVISIONAL AIRPORT AUTHORITY Hong Kong

### **EXPRESSION OF INTEREST**

The Provisional Airport Authority has been charged with building, developing and managing Hong Kong's replacement airport.

The largest single facility of the new airport is the Terminal Building which will be designed to handle 35 million passengers per year in it's initial phase of development.

included within this building is an:

AUTOMATED PEOPLE MOVER (APM) SYSTEM which will connect the processing building with the concourse.

The Authority wishes to prequalify suppliers of APM systems to supply, install and commission such a system at Hong Kong's replacement airport.

Interested companies who have a proven track-record in APM system supply and installation are invited to apply by fax for a set of prequalification documents to:

> The Project Director, Provisional Airport Authority Hong Kong, 25th Floor, Central Plaza, 18 Harbour Road, Wanchai Hong Kong (Prequalification for APM system)

FAX NO: (852) 824 3977 ENQUIRES: (852) 824 7372

Expressions of interest should be received by Friday 21 August 1992, 12 Noon. Prequalification Briefs will be issued immediately upon receipt of expressions of interest. The deadline for receipt of prequalification information will be Friday 4 September 1992. All submissions should be in the English language.

All costs associated with any submission in response to this notice are entirely the responsibility of the applicant organisation(s) concerned.

The PAA reserves the right to reject any organisation's application at its discretion and without explanation.



### EUROPEAN **TOPICS**

#### Big Mac to Buttress An English Cathedral

Big Mac hamburgers have come to the rescue of Britain's tallest spire. McDonald's, the American hamburger chain, will help finance the upkeep of England's 13th-century Salisbury Cathedral, according to British Dress reports.

Under an agreement between the cathedral a popular tourist attraction 130 kilometers (80 miles) southwest of London, Mc-Donald's has provided souvenir scrolls that illustrate the history of the cathedral. The scrolls are held by wrappers that bear the distinctive McDonald's golden arches and a coupon for a free hamburger at the chain's restau-

rant nearby.

Describing the scrolls as made of "parchment type material,"
Salisbury's chapter clerk Christopher Owen said the sponsorship
will help with the £230,000
(3440,000) it costs each year to
maintain the Gothic cathedral,
which has a soring 400 feet (122) which has a soaring 400-feet (122-

meter) spire.

Mr. Owen dismissed sugges-

tions that the church could find | its image damaged by the part-nership. "I don't think that snobbery is part of the Christian ethic, and if you mean that McDonald's caters for ordinary people I sus-pect that those people are amongst those who our ministry and cathedral must try to reach."

### Italian Archaeologists Seek Seabed Relics

Italian archaeologists began full-scale underwater search this week of the seabed near the

bearded head and a foot, are criands made it a prime target for thought to belong to seven differ- Allied bombers. In the last three ent statues dating to the fourth years of the war it held 3,000 century B.C. and the third century ry A.D. The discovery has been hailed as the most significant since two bearded statues know as the "Bronzes of Riace" were | that dot the Dotch countryside, found off the coast of Calabria in the "pantheon," as the locals call

Archaeologists say the frag-ments, which were first located by Major Luigi Robusto, a police diver, about 16 meters below the surface, may have been part of the cargo of a Roman vessel shipwrecked on its way back to Brindisi from Greece.

The haul has spurred Italian anthorities to launch a public of harmless edible mushrooms, awareness campaign encouraging people to help save hidden underwater treasures. It will involve exhibitions and a special one-day project on Aug. 29 when officials will tour the target areas, talking to marine associations and vacapioners.

#### Around Europe The Dutch government has put up for sale a World War II "art

bunker" designed to house Old Masters. The round structure, which is about 30 meters in diamsouthern port of Brindisi where eter and has a nine-meter thick divers located fragments of caling, was built in the eastern bronze statues three weeks ago.

village of Paasloo in 1942 when bronze statues three weeks ago.

The fragments, which include a the Nazi occupation of the Nethpaintings from Amsterdam's Rijksmuseum, among others. Like many other wartime defensive works erected by the Nazis it, is unoccupied but too costly to tear down. The Finance Ministry, which is responsible for selling the bunker, is taking offers.

> The wild mushrooms that caused a wave of poisonings in Russia and Ukraine this summer may have been "mutant" toad-

head of the Russian epidemiological service, as saying 600 people had been taken ill and 60 died in Ukraine alone after picking and eating mushrooms. Dozens more have died in Russia. Mr. Chiburayey said one possible explanation was that people experienced in telling poisonous from edible varieties were being fooled by mutations. He said another possibility was that normally harmless mushrooms were drawing toxic substances from the soil for lack of moisture in a hot, dry

The Bine Angels, the U.S. Navy's fancy-flying demonstra-tion team, will tour Europe Aug. 29 to Sept. 22 with stops in Sweden, Finland, Russia, Bulgaria, Italy, Romania, England and Spain, according to the Defense Department. The team, in six FA-18 fighters, performs preci-sion formation flying and aero-batic mancavers. It is based in Pensacola, Florida. It will be the first lour overseas for the team in 19 years and the first time a U.S. military aerial demonstration

team has performed in Russia.

Sytske Looijen

## Kurds Go Against History, Setting Up a State in Iraq

New York Times Service ARBIL, Iraq - For the third

time this century, a fledgling Kurdish state has risen out of the bavoc of war. Largely as a result of the American-led intervention on

their behalf at the end of the Gulf War, the 4 million Kurds in northern Iraq have been able to form their own government, as their forebears did briefly in

The two previous attempts at self-rule, the first in Iraq and the second in Iran, were each crushed within a year. And this current effort has enemies most notably President Saddam Hussein of Iraq — at least as potent as those of the past, in addition to its own factional ri-

But for now, with all its chaos and hardships, with friends and enemies alike refusing to recog-nize it, a distinct entity called Kurdistan exists in northern

A legislature was elected in May and swom in on July 4, and a capital has been established here. The new government has appointed a police force and school administration; it levies taxes, collects garbage, delivers mail and oversees an army.

The legislature and the prime minister's office occupy a sixstory building, lavishly decorated with Italian marble and mahogany, that once belonged to Baghdad's rubber-stamp Kurdistan National Assembly.

"If we can get outside funds and bring in the expertise needed to run a government, we can be self-sufficient within a year," said the prime minister, Fouad Masoum, in his air-conditioned office here. "But if we cannot, we will face catastrophe.'

Kurdistan, land-locked and wedged into a mountainous region between Iran and Turkey, is traditionally home to farmers and shepherds, although twothirds of its people now live in four urban centers. Kurdish doctors and engi-

neers, often educated abroad and used to the luxury of American sedans and Western appliances, mingle with rebels in their traditional baggy uniforms and herders with their turbans, long wool cloaks and henna-dyed The allies, led by the United

States, sent forces to establish a security-zone for the Kurds in northern Iraq in March 1991 after Mr. Saddam moved to crush an uprising by Kurds who had been encouraged by the defeat of the Iraqi army in the Gulf War. The intervention made possible the return of an estimated 1.5 million Kurds who had fled to

Iran and Turkey.

With the Kurds now pursuing a tenuous independence in their security zone, Baghdad has been them. The zone, bounded in the south roughly by the 36th paral-lel, is monitored by allied warplanes flying from Turkey and by ground observers based in Zakho, just south of the Turkish

But Mr. Saddam's government nue generated from taxes that is keeping pressure on the Kurds, the Kurds impose on the truck branding the new government "illegal" and its 15 ministers

Despite these and other palpa-

ble threats, hope has been

swelled by the progress the Kurds have made so far.

cowering in tents a year ago, have rebuilt half of the estimated

4,000 villages destroyed by the

flow with cucumbers, eggplants,

scrapped for the yellow and green banners of the two main

Kurdish guerrilla factions, often

waving together over check-

points. The only remaining ves-

iges of the Iraqi government are

the currency and postage stamps.

islature is controlled by the two

principal guerrilla groups, the Patriotic Union of Kurdistan

and the Kurdistan Democratic

Party, each with 50 seats. The

other five seats went to Kurds from the Syrian Christian com-

The success of the Kurds' ef-

forts is by no means assured. The tottering steps toward self-rule could easily become a headlong

tumble into deprivation and an-

The Habur Bridge linking Turkey to northern Iraq, eight kilometers from Zakho, has be-

...come one of the most ominous of several Kurdish flash points.

late July saw 500 trucks a day enter from Turkey, halted after

the burning of several vehicles by

The Turkish Kurds are in a

dispute with the Kurds in Iraq.

The Iraqi Kurds, under pressure

from the Turkish government,

have agreed to shirt down the

camps of the Turkish Kurdish

As a member of the allied coali-

tion. Turkey has been an impor-

tant benefactor of the Iraqi

The bridge is vital to the Iraqi Kurds, not only for the food and

Traffic at the bridge, which in

The 105-member Kurdish leg-

The Iraqi flag has been

tomatoes, okra and potatoes.

des. Roadside stands over-

A GEOFRA

Families, many of whom were

"bandits." million a month in taxes to the Iraqi Kurds for the right to trans-Kurdish and Iraqi troops face port gasoline back to Turkey through Kurdish-controlled areach other along a 290-kilometer (180-mile) front line that sees eas, covering more than half the sporadic shelling and sniper fire. There are 100,000 Iraqi troops Kurds' budget along the ill-defined border.

"The road in from Turkey is our lifeline," said the prime min-The Iraqi government has also stopped the shipment of fuel. ister, Mr. Masoum, "and without it we will be crippled, both in terms of the supplies we need food and supplies to the north, including children's vaccines does we receive." nated by the United Nations.

But the truckers have also lost lucrative business bringing goods into Iraq and returning with oil products from the large refinery in Mosul, which is north of the 36th parallel but still controlled by Baghdad.

The drivers were paying \$2

They are able to sell the gasoline in Turkey, in violation of the international trade embargo against Iraq, for 150 times the price they paid for it.

Prices have already begun to climb as Kurds realize that fuel and food may soon become harder to find. Black-market gasoline, sold from plastic containers along the road and now the only supply for motorists, has ed in price in recent weeks, to \$40 a gallon, and the price of flour has risen 50 percent. In addition, the month-old

government is still in disarray. "I have no salary, no budget, no office, no official car, no staff and no telephone," said Mohammed Tofik, who is in charge of

humanitarian aid and coopera-

Outside urban areas, there is even less government presence. Local militias, operating independently, rule much of the countryside, levying taxes at checkpoints and appropriating vehicles and machinery to sell in

"A lot of people in Kurdistan make a living off this," said Faisal Surti, a militia leader whose armed followers in Khalifan were holding for ransom 20 trucks headed for Iran. "One guy gets six friends with guns and becomes a local commander."

Thefts have stripped the north of thousands of cars and heavy machinery. Of the 700 municipal vehicles in Arbil before the uprising, including graders, gar-bage trucks and bulldozers, only 92 remain, and many are out of service. The capital's police. force, operating at a third of its, prewar strength of 3,000 officers; has only 18 of its original 345

Farmers, desperate to sell their crops, have begun smuggling their produce and grain to the Iragi-controlled cities of Mosul and Kirkuk, in defiance of a ban imposed by the Kurdish government. The sales reduce the stocks that will be needed by Kurds during a harsh winter.

whom have restive Kurdish minorities, view the autonomous Kurdish enclave with apprehension. Kurdish leaders say they have pleaded in vain with their neighbors for weapons to stave other supplies but for the reveoff an Iraqi attack.

### **Palestinians Ouestion** U.S. Loan Guarantees

By Clyde Haberman New York Tunes Service RAMALLAH Israeli-Occupied

West Bank — Palestinian leaders and some Arab countries expressed concern Wednesday that the United States, by agreeing to give Israel as much as \$10 billion in loan guarantees, had planted itself on Israel's side in the Middle East peace process, which is about to resume.

A day after President George
Bush talked glowingly of Israel as a
"strategic partner." Syria declared through an official newspaper that the peace process had been dam-aged. The promised American as-sistance would "encourage Israel to continue its obstinate policy and its rejection of peace," the Syrians

Palestinian negotiators were more cautious, saying they did not know what effect the loan agreement would have on an issue of primary importance to them: Israe-h settlement-building in the occupied West Bank and Gaza Strip.

But a prevailing assumption among many Palestinians was that no longer verbally pummeling Isra-el the way they had before Yitzhak Rabin replaced Yitzhak Shamir as prime minister last month. It also appeared, even in the ab-

sence of clear details, that the Americans had accepted the plans of the new Labor-led government to complete nearly 10,000 apartments and houses in progress in the territories even while halting 7,500 planned units. In a further step to curtail settle-

ment on land acquired in the 1967 Middle East war, the government said Wednesday that it had frozen financial support that had helped Jewish groups buy and renovate houses in Arab neighborhoods of East Jerusalem, including the Muslim Quarter of the Old City.

Such support was championed by the previous Likud-led government, to protests not only from Palestinians but also from Mayor Teddy Kollek of Jerusalem, who views such moves by Jews as unnecessary provocations in a city that has no shortage of tensions. The latest Israeli sunouncement

affects only government funds. It does not stop individual Jews or groups from continuing to buy ouses in Arab sections with privately raised money, much of which is provided by wealthy sym-pathizers in the United States. While Mr. Bush heaped praise

on Mr. Rabin during two days of meetings at the president's vacation home in Maine, Palestinian leaders focused Wednesday on the thousands of Israeli settlers who will continue to move into the occupied territories because of the construction that is under way.

seriously," said Hanan Ashrawi, spokeswoman for the Palestinian ocace delegation. "What's the use land itself, the territoriality issues, are predetermined?" Don't take for granted the fact

was "a very distinct possibility" that the Palestinian delegation would not show up for the scheduled resumption of talks in Washington on Aug. 24.
It was not the first time that the

Palestinians - or for that matter, the Israelis in the past - had threatened to boycott a round of peace negotiations. Nor was there any reason to presume that the latest warning necessarily carried more weight than the others, all of which ended with the various parties sitting face to face in Washington, more or less as planned. Among Israelis, Mr. Rabin won

considerable praise on Wednesday for succeeding where his predeces-sor had failed in obtaining the promised loan guarantees, wanted by Israel to help absorb hundreds of thousands of new immigrants. On the political right, however,

the prime minister was strongly attacked for supposedly compromising Israel's security and even selfdetermination by changing Likud policies on settlements in exchange American, Leon Klinghoffer, was for American help.



#### their position had been weakened, if only because the Americans were no longer verbally nummeling Isragovernment's action and called on Prime Min-So far, Germany has accepted about 230,000

By William E. Schmidt New York Times Service

LONDON - Amid growing criticism from humanitarian groups and opposition politicians that Britain is not doing enough to help refugees from the former republics of Yugosla-via, the government conceded Wednesday that it had deported 36 people who had come here in search of asylum.

A spokesman for the British Home Office said the asylum seekers had not been returned to the war zone, but had been sent back to other countries in Europe, including Germany and Beligum, where they had first fled after leaving Bosnia-Herzegovina, Croatia and Serbia.

The deportations, which have taken place since the beginning of the year and include eight last month, represent only a small number of the estimated 2,000 refugees from the former Yugoslav republics who have filed formal applications for asylum. Those other cases are still under consideration, the government said.

Although the deportations were carried out under the terms of existing European agreements, which hold that refugees can seek asylum only in the countries to which they first several agencies in London criticized the

ister John Major to change Britain's asylum A spokeswoman for the London office of the United Nations High Commissioner for Refu-

gees said Britain's action "is not in keeping with the spirit of international burden-sharing. She said the agency had been pressing the British government for several mouths to relax

its asylum laws and admit more refugees, at least on a temporary basis, to help absorb many of the 2.2 million people the United Nations believes have been displaced by the turnoil. Ken Ritchie, deputy director of the Refugee Council, a British humanitarian agency, said he was "horrified" by the deportations and described the government's policy as "if you want to get asylum, go somewhere else."

Tony Blair, a spokesman on refugee affairs

for the opposition Labor Party, described the deportations as "disgraceful." The flood of refugees has caused alarm

across Europe and has caused several nations to re-examine their border controls. Last month alone, Germany said, a record 46,500 people applied for asylum, and government officials said they believed that most of them were refugees, and Hungary and Austria 50,000. Sweden has taken in about 40,000. The British government says about 4,000

people a month have been arriving in Britain from the former Yugoslavia on ordinary visitor asses. Since that number includes ordinary travelers who may be tourists from areas not affected by the fighting, it is not clear how many will want to remain in Britain because of the turmoil at home. Unlike most other European countries, Britain does not require visas for travelers from what used to be Yugoslavia.

British officials have argued, as a matter of policy, that people fleeing the war zone should remain in the first country they reach. The government did not divalge details of the

36 deportations, except to say they had been carried out under the terms of what is called the Dublin Convention, an agreement among the nations of the European Community. In general, it stipulates that people can seek asylum only in the country in which they first seek refuge. But critics argue that since there are no direct air links from the former Yugoslav republics to Britain, it is all but impossible for asylus seekers to meet the letter of the law in applying

#### CONVOY: Children Taken Out BOSNIA: A Campaign of Terror (Continued from page 1) , buses, machine-gun fige crackled in

to another, afraid that the police the air, will catch up with them if they sleep

"We are living like rats," said a Muslim who said he was afraid to give his name. He said he has left his home only once in six months. relying on his parents to bring food other necessities. "I was an idiot," he added. "I thought ethnic "We take the settlements very cleansing would never happen

ie Urthodox Serbs, of having a peace process if the the Roman Catholic Croats and the for his life because be had refused Muslims here are virtually indistin- to join the Serbian Army. He is guishable. But "ethnic cleansing" is the term applied by Serbian leaders that we will sit down while settle- to their policy of forcing Croats ments are being built," Mrs. and Muslims out of what they have declared as the Serbian Republic of Bosnia-Herzegovina.

Serbs say the Muslims are leaving voluntarily. They also say they are doing whatever they can to stop intimidation by radical nationalists. The evidence here is overwhelmingly to the contrary.

On a street next to the Hotel Bosnia the other day, the stories of one group of Muslims and Croats suggested that intimidation is the rule. A line of buses, filled with Muslims and Croats trying to leave the city, had just returned from the Croatian border where they had

As terrified passengers left the ing Banja Luka.

"We can't live here," said a sob-

bing Muslim girl who nearly collapsed in fright when a rat-tat-tat of gunfire burst out. The girl would not give her name, but she did give her story, even though a man, ap-parently from the police, was filming the interview from a short distance away. Asked why, the man would not say. He just smiled. Goran, a 42-year old Croat, sat

on his suitcase. He said he was married to a Serb, but that's no guarantee of safety. "This is pure ethnic cleansing in

a dirty civil war," he said.

There are two places that Muslims and Croats are flocking to in Banja Luka these days. One of them is the local office of the International Committee of the Red Cross, where they are pleading for help and asking for information about lost husbands or sons. There is a long line in front.

The other place is a city adminis-trative office where, Muslims say, they must sign over ownership of their homes, cars and other property before they can receive authorization to leave. Then they are given special passes allowing them to get through the roadblocks surround-

(Continued from page 1) could open the way to an all-out Serbian offensive on the city.

That could lead either to Serbian occupation or partition, they said. A second evacuation of noncombatants, this time mostly Serbs, is expected in the next few days. The women and children who left on Wednesday were heading

for the Adriatic port of Split. From there some will go to Slovenia and the rest to Austria. "It hurts very much to see them go, but I must stay and fight," said

a young man as his wife and 2-yearold son boarded the bus. The families had to wait for sev-

eral hours as the bus convoy was repeatedly postponed during the day. They wept as the crackle of suiper fire and the crash of mortars sounded in the background.

Almost two weeks ago, another evacuation of children, organized by a German charity without the blessing of the warring parties, end-ed in tragedy when snipers killed

The evacuation was arranged as ressure mounted at the United Nations to send in an international force to protect relief convoys and get emergency food and medicines through to thousands of civilians

trapped in Sarajevo.
The UN Security Council is to vote Thursday on a resolution to authorize the use of force to protect aid deliveries. The council president, Li Daoyu of China, said vote would also take place on a second draft demanding that the international Committee of the Red Cross be allowed to inspect prison camps.
The United States has accused

Serbian forces of moving prisoners between detention camps in Bosnia-Herzegovina to improve appearances before journalists and international monitors visit. John Bolton, undersecretary of

state for international affairs, said, at a news conference that Washington had "independent information" concerning Serbian efforts to counter reports of mistreatment of Muslims and Croats. Western allies may be ready to

use force to get humanitarian aid into former Yugoslavia, but few nations seem prepared to commit the tens of thousands of troops.

France, which is eager to show that Europe can tackle the task without allowing the United States to dominate military operations, la-mented the inconclusive response

so far from its European Community partners.
"We have not found many volunters on the part of the states concerned," Foreign Minister Rollind Dumas said. "Until today France—and to some degree Beat

gium - is the only country in Efrope willing to say that it would participate militarily by sending troops to support these actions." (Reuters, AP, AFP),

### Court Scolds U.S. Lawyers Over Demjanjuk Evidence

peals court has chastised the Justice Department for withholding evidence in the case of John Demjan-juk, who was accused of Nazi death camp crimes, and roundly rejected the government's argument that the omissions were insignificant.

The three judges sharply ques-tioned the department's failure to disclose evidence suggesting that Mr. Demianjuk might have been misidentified as Ivan the Terrible, a sadistic SS guard who operated gas chambers at the camp in Treblinka. After the same judges refused to block Mr. Demjanjuk's extradition in 1985, the retired Cleveland auto sentenced to death.

"One thing we assumed," said Judge Pierce Lively, who wrote the court's opinion, "was that we had the entire record."

"This was not just any extradi-tion proceeding." Chief Judge Gil-bert S. Mernitt said. "It's a little more than some bank robbery." The judges are clearly struggling

with the issue of what they can do at this point, with Mr. Demjanjuk, 72, in prison in Israel and the Israeli Supreme Court expected soon to rule on his appeal. Michael Tigar, one of Mr. Demjanjuk's attorneys, asked the court to consider allowing Mr. Demjanjuk back into the United States, at least temporarily, should Israeli authorities free him.

By Sharon LaFraniere

Washington Post Service

CINCINNATI — A federal ap
U.S. court no longer has jurisdic-

The judges said they also would consider whether they need another hearing before deciding whether the Justice Department is guilty of prosecutorial misconduct. The key issue in Tuesday's hearing was why the Justice Department did not disclose Soviet statements from two former Treblinka gnards implicating a man named Marchenko as Ivan, or a Polish

document that listed Marchenko as a Treblinka guard. Patty Stemler, a Justice Department attorney, acknowledged, that mistakes were made. "But the question is: Was there a fraud upon the court? No," she said.

Ms. Stemler appeared to make fittle headway with an argument that the Marchenko evidence would not have reversed seven years of legal action against Mr. Demjanjuk in the United States. While the department did not have the voluminous evidence about Marchenko released last year by the Soviet Union, Judge Lively said it apparently had enough to suggest "a great possibility" that Mr. Demjanjuk was never at Treblinka.

Judge Damon J. Keith said he was particularly disturbed to learn that one of the prosecutors asthe evidence as far back as 1980.

### THAIS: Foothold in Cambodia

(Continued from page 1) citizen and returned to teach. Now we have to worry about the Vietnam ended its 11-year occu-

pation of Cambodia in September 1989. Since then, guerrilla leaders allege, some 700,000 Victnamese settlers have been given identification cards by the government in Phnom Penh, which the invading Vietnamese installed.

The guerrillas say that the Viet-namese are also edging their border forward, and now some guerrillas appear worried that the Thais are ing the same thing. They just keep moving the bor-

der checkpoint out farther and far-ther," said a leader of a U.S.backed faction, who asked not to be identified. "They must have gained three miles or more just by doing this on the way" into northwestern Cambodia. At the height of the Angkor empire, in the 12th century, much of

Thailand was part of Cambodia. Since then, Thailand has periodically nudged the border to expand its territory.

During World War II, Japan belped Thailand claim much of

northwestern Cambodia. This reverted to French control when the war ended in 1945 and became part of independent Cambodia when the French left in 1954. In the early 1960s, the Cambodi-

an leader, Prince Norodom Sihanouk, took the Thai government to the International Court of Justice to make sure all foreign forces were

General Charan Kullavanijaya, secretary-general of Thailand's National Security Council, has said, Thailand is not trying to expand its, borders but to resolve unfair bor-That tourist trains now run to

Preah Vihear, where Thai guides show off the temple. Thai compaber of tour companies in Siem, Reap, near the famed Angkor Water complex. Many of Angkor Wat's finest artifacts can now be found in Bangkok antique shops, stocked by Thai smugglers.
When the first busloads of Camy hodian refugees returned to Sison phon in March, Prince Sihanouk,

was clearly furious that General, Suchinda Kraprayoon, then the Thai Army chief, made a show of greeting him — in Cambodia. A couple of months later, after, General Suchinda had resigned in; disgrace from a brief term as prime minister, Crown Prince Vajiralong, korn of Thailand made a swingthrough northwestern Cambodia, giving Cambodian authorities no, prior notice.

Having given the three Cambo-dian guerrilla factions logistical, support during their 13-year civily war, Thai border troops are used to traveling freely across the border, United Nations officials have as serted that as many as 200 Thais military intelligence officers are operating deep inside Cambodia.

to seek return of the 12th-century out of Cambodia," said a disgrunsigned to the case had doubts about Preah Vihear temple. The court sid-tled UN official. "That doesn't just,

The peace plan said the UN had,

### Terrorist's Whereabouts Elusive

BEIRUT - The whereabouts of Abul Abbas, mastermind of the hijacking in 1985 of the cruise liner Schille Lauro, were a mystery of his Palestinian faction reported his arrest in Iraq, then denied it.

There was no immediate explauntion for the conflicting reports. A Organization said it may have been ah effort to flush out Mr. Abbas, 46, who has been in hiding since May and whose real name is Mo-hammed Zaidan Abbas.

The arrest report originated in a statement bearing the name of the Palestine Liberation Front, a wing the PLO, and distributed to Vestern news agencies in Beirut. It said Mr. Abbas was picked up Front, which is believed to have by the Iraqi police Saturday as he received millions of dollars from was traveling overland from Bagh-Saddam Hussein.

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dad to Amman, Jordan, for meetings with Palestinian leaders. It is not clear why the Iraqi gov-

sentative in Lebanon, Nazem Yousef, said in the southern port city of Sidon: "We didn't issue a statement. The leader is free and has not

issuing the statement. There have been recent reports in Arab newspapers of quarrels over finances within the Liberation

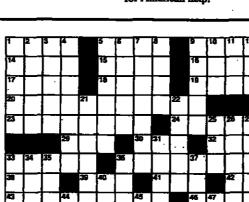
Abbas. He has been given sanctuary there since the ship hijacking. Later, a Liberation Front repre-

been arrested." Mr. Yousef declined to say whether Mr. Abbas was in Iraq.
Mr. Yousef accused a rival faction headed by Talast Yacoub, which is supported by Iraq's foe, Syria, of

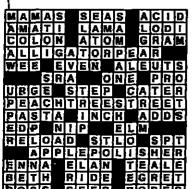
also was denied by a spokesman for the front in Tunis, and by the ernment would have arrested Mr. PLO's ambassador to Iraq, Azzam Ahmed. The ambassador said Mr. Abhas had gone to a PLO Central Council

meeting in Tunis in May and had never returned to Baghdad, which had been his headquarters since before the Achille Lauro hijacking.
A PLO source in Jordan said it was possible that the report was part of an effort to force Mr. Abbas

from hiding and make him appear in public to prove that he has not been arrested. An Italian court convicted Mr. Abbas in absentia and sentenced him to life in prison for organizing the three-day hijacking, which started Oct. 7, 1985. An elderly



Solution to Puzzle of Aug. 12



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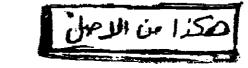
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## **HEALTH / SCIENCE**

### With Music Gene, **Birds Spot Rivals**

By Natalie Angier

EW YORK — Male songbirds must be as adept at appreciating music as they are at making it. A male must sing to seduce a mate and to define the boundaries of his territory; but he must also know the song of all the birds surrounding him, to distinguish between harmless and threatening tunes. Now researchers have discovered the first molecular clue to how male songbirds recognize the melodies of other males.

Studying canaries and zebra finches, Dr. Claudio V. Mello and his colleagues at Rockefeller University in Manhattan have identified a gene that is one of the first to respond in the brains of birds when they hear the songs of other members of their species. The nerve cells that react are in a part of the brain thought to be the avian equivalent of the mammalian auditory cortex, where incoming sound signals are integrated and interpreted. The scientists do not yet know the

purpose of the gene, which goes by the distinctly unmusical ac-

ronym of ZENK, but they be-

lieve its activation is one of the

earliest events in the formation of a permanent memory in the brain. The scientists found that

the ZENK gene responds most

vigorously when the bird hears songs of other males of its spe-

cies, less robustly when the ani-

mal is exposed to the calls of a different songbird species and not at all when a tape of non-song tones is played. That dis-crepancy in responses suggests

cus on the most important type of sound: the arias of potential

The experiment is part of a growing effort among biologists to bridge the carryon between microscope and macroscope.

Dr. Mello's research is an attempt to apply the precision of molecular biology to the some-

what scruffler world of bird behavior. While other researchers

have studied the neurobiology of bird song and have mapped

centers of the brain that are

critical to singing, the latest re-

ral domains. It appears in the current issue of The Proceed-

ings of the National Academy This is one of the first links

I'm aware of between research on a natural learning process and the switching on" of a gene, said Dr. Peter Marler of the University of California at Davis, an authority on the behavior of bird song.
The Rockefeller researchers

chose to examine the ZENK

gene in bird brains because it had been shown through other

experiments to participate in

ases at work within those neu-

Scientists think they have found a gene that is activated when birds hear songs.



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The gene may start a molecular program that alters neurons to assure that the bird learns the



brain activity and to respond to changes in stimulation. To look adult male canaries and zebra finches, and kept the birds in isolation for 24 hours. Each male was then put in a box and exposed for 45 minutes to a tape recording of a same-species song, another species'

song or simple tones.

During each session, the bird would sit quietly and in apparent concentration, as birds normally do upon hearing the chirrups of other males. Afterwards, the bird was killed and its brain was cut into sections about one cell thick. Using a radioactive probe corresponding to the ZENK gene, the researchers looked for evidence that

They found that gene expressed, in different parts of the brain.

They found that gene expression was most pronounced in those birds that had heard their compatitots' songs.

Dr. Mello said he believed that the arousal of the gene probably began quite early in the listening exercise, perhaps in fewer than 10

### A New Messenger For Signals to Brain

By Sandra Blakeslee

were surprised to learn that a constituent of meat and potatoes, the common amino acid glutamate, was a potent

carrier of brain signals. Three years ago, they were startied to learn that a poisonous sub-to smooth muscles and found that stance, nitric oxide, also transmit-the muscles could still twitch. ted information between nerve

But the latest finding about such carriers of brain signals, the neuro-transmitters, that allow people to think, dream and wiggle their toes, is raising eyebrows to the laboratory roof ry roof.

A chemical called ATP, or adenosine triphosphate, found inside every living cell in almost every living creature, a molecule that is to the cell what gasoline is to the internal combustion engine, a substance that provides the energy that makes while possible, has a completely un-

expected role in the brain. Acting outside cells, ATP can transmit messages between nerve cells in the brain and between those that reach out to all parts of the body, in effect "talking" to the in-testines, heart, bladder, reproduc-

"It was known that some neurons could be sensitive to ATP," said Dr. Bruce Bean, a neuroscientist at Harvard Medical School. convulsant. "But this is the first direct demonstration that ATP is a classical neutotransmitter. We don't know the significance. Will it be in neurons

near-defunct dialect or a lingua franca spoken in virtually all regions of the brain.

Dr. Geoffrey Burnstock of Uni-EW YORK — Ten versity College, London, is the scientists who brought ATP into the realm of brain research.

Thirty years ago, experimenting on guinea pig intestines, Dr. Burnstock and two graduate students blocked the then-known transmitters that carried signals from nerves

After exploring many sub-stances. Dr. Burnstock announced in 1970 that ATP was probably the transmitter. "They laughed at me."

Over the next lew years, Dr. Burnstock found ATP receptors in the intestines, lung, bladder, semi-nal vesicles, esophagus, uterus, eye, trachea and parts of the cardiovas-

In the 1980s, Dr. Burnstock began winning converts, said Dr. Kenneth A Jacobson, a chemist at the National Institute of Diabetes, Digestive and Kidney Diseases in Bethesda, Maryland, who works on

N the mid-1980s, research on adenosine took off, Dr. Jacobson said. In the heart it tends to increase the oxygen tive system, lung, pancreas and im-mune system.

Supply while decreasing oxygen de-mand and is thus being used in open-heart surgery. In the brain, it protects nerve cells from oxygen injury and may be a natural anti-

Researchers have only begun to explore the role of ATP in the brain. Dr. Burnstock said, because good, potent agents for blocking it we care about or used by relatively few neurons?"

The Bertle Hille, a prominent neurobiologist at the University of Washington in Seattle cold the sign of the si

"Drug companies have shied away because ATP is all negative charges

# Herpes: Thriving on Secrecy and Ignorance

By Jane E. Brody Vers York Times Service

EW YORK - The woman wrote that although she is young, attractive and in love, her life has been destroyed by genital herpes, an incurable venereal infection that she is too ashamed to reveal to anyone, especially the man who loves and wants to marry her.

She explained that she had contracted herpes during her one previous relationship with a man. She said the infected man had known that he had herpes but had neither told her nor done anything to protect her from

A decade ago, herpes sent a wave of panic through participants in the so-called sexual revolution. Now, in the wake of publicity about the AIDS epidemic, geni-

the wake of publicity about the AILDs epidemia, geni-tal herpes is nearly forgotten but hardly gone. About 30 million Americans — 16 percent of people between the ages of 15 and 74 — are believed to harbor this contagious virus, which takes up lifelong residence in the body and emerges from time to time to produce painful blistering sores on and around the genitals. Each year, many thousands of people join the un-fortunate ranks of the infected. Most of them, like the

young woman, are not promiscrous. The problem with herpes is that some infected people do not realize that they harbor the virus and can transmit it to others through sexual intercourse or oral sex. And the many who know they have herpes often do not realize that they can sometimes spread the virus even when they do not have a noticeable outbreak

The infection thrives on ignorance and secrecy because those who are infected are understandably reluctant to discuss genital herpes with anyone and because physicians are often ill informed about the problem and insensitive to the despair that can accom-

Yet experts say the emotional and physical toll of herpes can be dramatically reduced by information. motional support, medication and precautionary health practices. The young woman, who anonymous-ly requested help from The New York Times, may have a fulfilling life ahead after all.

Herpes viruses, and there are many different kinds. have a nasty habit of hiding from the body's immune defenses by seeking sanctuary in the nervous system. After the initial infection, the virus can travel along nerves to their roots, where the virus lingers, quiescent, mtil circumstances encourage it to reappear.

Various factors, including illness, skin irritation, fever and stress, can prompt the virus to travel back along the nerves to the skin, where the characteristic sore develops. As with the herpes virus that causes cold sores around the mouth, the genital herpes virus first causes itching, tingling or pain, which is soon followed by an eruption that usually blisters, crusts

Within about two weeks, the scab falls off and the skin once again appears healthy and normal.

The first attack, usually within 10 days of exposure, is often accompanied by local swelling and flu-like symptoms, including fever, headache, muscle aches

have any symptoms except the genital sores, and those someone who acquires the virus from an infected usually become less severe and briefer with time. Recurrences may occur as often as several times a

month or as infrequently as once every year or longer. The virus is spread by skin-to-skin contact only when the infection is active. People who develop the sores can spread the virus from the time that the first tingling is felt until the last scab falls off. However, the active infection is essentially symptomless in some people or produces such minor symptoms as to go unnoticed or undiagnosed.

These asymptomatic carriers are, in effect, the Ty-phoid Marys of genital herpes,

YPE I herpes usually causes cold sores, and type 2 usually causes genital herpes, but the types overlap, and the genital infection can be acquired through oral sex with a partner

who has a herpes outbreak on the mouth.

Experts say that to reduce the risk of spreading genital herpes, people with known active infections should practice abstinence until their sores are com-pletely healed and use protective measures during sexual activity at all other times.

The protective measures are the use of latex con-doms along with a spermicidal jelly or cream, which can inactivate the herpes virus as well as other organisms that cause venereal disease.

But there are no guarantees. Having intimate contact with someone who has had genital herpes, even if the outbreak occurred years ago and never recurred.

and fatigue. However, subsequent outbreaks rarely always carries some risk of acquiring the infection. Bu partner may not develop herpes sores, even though he or she could pass the infection along to someone else. One person in 10 who has a first outbreak never has a

> While there is no cure for a herpes infection, the severity and duration of an attack can be reduced by an anti-viral drug, acyclovir (Zovirax), if it is taken for 10 days during the initial outbreak or for five days at the first signs of a recurrence. The drug is usually taken orally five times a day. Various treatments may also be applied to the affected area to relieve discomfort and speed healing.

For those who have frequent or especially severe outbreaks, acyclovir may be given continuously to suppress the virus, with a break in the medication routine every six months to see if it is still needed.

From the first inkling of a herpes outbreak, patients should avoid touching the affected area, since the virus can be transmitted by contaminated fingers. Washing soon after with soap and water can cleanse any body part that may have picked up the virus accidentally.

A survey conducted last July by the American Social Health Association among 5,000 men and wom-en infected by herpes revealed that even years after the first attack, feelings of isolation and depression are commonplace. More than half of the 62 percent who responded to the survey reported feeling depressed, and an equal number said they feared rejection in

The U.S. election

- Civil war in Yugoslavia
- The breakup of the Soviet empire
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Norway	N.Kr.	3,300	50%	1,800
Portugal	Esc.	45,000	77,440	25,000
Spain	Ptos.	45,000	69.160	25,000
	Ptos.	55,000	69160	27,500
Sweden (airmail)	S.Kr.	2,900	4,368	1,600
hand delivery	S.Kr.	3,300	4,368	1,800
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not yet been determined. "That it can act alone is new," he added, and the finding may lead to

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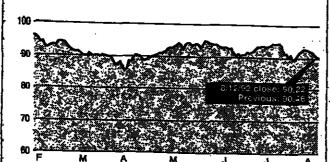
# BUSIAN產島島

International Herald Tribune Thursday, August 13, 1992



### THE TRIB INDEX: 90.22

International Herald Tribune World Stock Index e, composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News. Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in: Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 17 countries, the ten top stocks are tracked.

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Utilities	82.77	83.01	-0.29	Raw Materials	99.20	99.98	98,54
Finance	72.80	72.35	+0.62	Consumer Goods	96.94	, 97.49	105.24
Services	97.35 .	97.65	-0.31	Miscellaneous	103.76	104.69	-0.52
For readers							

### INTERNATIONAL MANAGER

Trib Index, 181 Avenue Cheries de Gaulle, 92521 Neully Cedex, France.

### Top Levels of Corporations fruit, poultry, shellfish, fats and oils, pork and roasted coffee. Lack Women, Minorities

By Shan Rudaysky Washington Post Service

ASHINGTON - Labor Secretary Lynn M. Martin who is scheduled to nominate President George Bush at next week's Republican National Convention, conceded that little progress has been made since she vowed a year ago to help women and minorities land America's top corporate jobs.

We continue to find a general absence of minorities and women at the highest levels in the COTDOrate work force, in the develop-'Much -- too much

— remains

mental programs and in creden-tial-building assignments," Mrs. Martin said in releasing a status report on the issue.

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to be done. She noted that only 7.5 percent, or 99, of the 1.315 board members at America's 100 biggest companies are women. Only 27 women, or 11.5 percent, hold leadership jobs in 25 big unions.

Mrs. Martin denied that politics motivated the timing of the report's release. "And did I stop beating my husband?" she joked, adding that the release was planned before she was picked to deliver the nominating speech in Houston. Mrs. Martin did, however, emphasize an administration commitment to advancement for women and minorities and said 46 percent of the president's appointees have been in those categories.

The Labor Department conducted reviews during the past year, and eight of nine Portune 500 companies andited had since complied with rules mandating equal opportunity for women and minorities. "Much is being done in corporate America to eliminate barriers," Mrs. Martin said. "Much, however — too much — remains to be done." The report found that the main barriers to advancement include

recruitment, lack of opportunity to participate in corporate development programs, performance measures and mobility. Mrs. Martin said, for example, the Labor Department's recent agreement with the Small Business Administration aims to educate smaller firms on gender and race discrimination.

The SBA administrator, Patricia Saiki, said many small businesses — with 500 employees or fewer — are owned by women or minorities. When women and minorities reach the end of corporate opportunity, or the so-called glass ceiling, they often decide to start companies of their own. "They bring with them the history of frustrated goals and ambitions, and they vow not to replicate those patterns in their own small companies," she said.

# Inflation On Wane In U.S.

#### Pressure Mounts For Cut in Rates

By Robert D. Hershey Jr.

New York Times Service WASHINGTON - Prices received by U.S. producers for fin-ished goods rose a skimpy one-tenth of I percent in July, as the economy's weak recovery kept a tight rein on inflation, Labor Department fig-ures showed Wednesday.

Energy costs fell for the first time in six months, and peaches and other fresh fruits slid by the biggest amount in more than two decades helping keep food prices steady.

Nor was there anything disturb-ing at earlier stages of processing, where there had been some hafty increases in preceding months. The government found intermediate and

crude goods unchanged in July.
"There is very little inflation pressure," said Ben K. Han, an economist for Philadelphia-based Coresmust for riminately manufactures and corestates financial Corp. His bank pared its estimate of 1992 inflation to below 3 percent, and said it saw the possibility the rate would approach 2 percent a year from now.

Although it was not unexpected, the latest evidence of subdued inflation raised hopes in some quarters that the Federal Reserve Board might cut interest rates in support of the sluggish economy. The Fed's main policymaking body, which is to meet Tuesday to set a monetary course for the following seven weeks, will also have figures on consumer prices for July by then. They are due to be published Thursday.

The 0.1 percent rise of finished goods prices last month followed May and June advances averaging 0.3 percent and brought the rise for the last 12 months to 1.7 percent. When food and energy are ex-

cluded, however, this so-called core rate of producer inflation rose 0.2 percent for July after edging down I percent in June.
Gasoline and home hearing oil

prices turned down after a sharp June rise and increases for fresh vegetables, fish, beef and milk products were offset by lower prices for Among swings in fruits and vegetables were plunges of 44.5 percent

for peaches, 41.2 percent for straw-berries and 32.6 percent for melons. But vegetables rose 19.7 percent, as increases for potatoes and carrots approached 80 percent.

## Trade Pact's Next Hurdle: U.S. Politics

By David E. Rosenbaum New York Times Service

NEW YORK - The trade agreement reached Wednesday between Canada, Mexico and the United States cannot go into effect until it is approved by the U.S. Congress. And before Congress votes next year, an important event will intervene: the election in November.

If Bill Clinton is elected president, he will certainly want to put his own stamp on the deal. That might mean reopening

#### **NEWS ANALYSIS**

negotiations with the Canadians and Mexicans. Or it might mean recasting the legislation put forward by President George Bush to set the pact into effect.

If Mr. Bush is re-elected, he will face releatless demands from Congress for more money to retrain workers who lose their jobs because of the agreement and for new assurances on environmental protection.

Most of this has almost nothing to do with trade policy and almost everything to do with politics. At heart, Mr. Clinton is a free-trader, his economic advisers say. But he has been

campaigning around the country saying he could get a better trade deal for Americans than Mr. Bush has. "I believe we could have a free-trade agreement with Mexico that would be good for the country," Mr. Clinton said in lowa last week, "but I don't know if it would be the kind Mr. Bush would sign."

trade causes dissonance between scholars and politicians.

Most economists have been trained that unfettered trade is the best policy, and

What is more, Mr. Clinton is a Democrat. While labor unions, the chief opponents of the trade pact, do not have the strength in his party they once did, they do provide Democrats with essential organization, enthusiasm and money. So Mr.

Clinton cannot turn his back on them. For his own political reasons, Mr. Bush was eager to get the trade negotiations completed before the Republican convention begins next week.

First, he and his advisers want to use the convention to drive home the point that there are domestic benefits to Mr. Bush's skills in foreign affairs, and the trade pact helps the argument. Second, Mr. Bush's camp relishes the idea of using the convention as a forum for portraying Mr. Clinton as a mouthpiece for organized labor.

As for Congress, countless members have promised during their own election campaigns that the trade agreement would be accompanied by ample job retraining and environmental protection measures.

Whatever Mr. Bush proposes in this regard, the lawmakers will almost certainly find insufficient if for no other reason than to generate an issue so that they can show how they keep their campaign promises. More than perhaps any other issue,

unfettered trade is the best policy, and they teach that to their students. On paper, it is the best policy. When all the economic benefits from free trade and all the benefits from protection are tallied, free trade almost always comes out ahead.

But politics runs on votes, not theories, and most politicians at one time or another have sought protection from international competition for their constituents. That is because while many people gain a little bit from free trade, a few people are often hurt a great deal.

Not surprisingly, the ones who are really hart are the ones who cry the londest and the ones politicians tend to listen to.

In the case of the agreement with Mexico, the evidence is that it would promote economic growth, jobs and wealth, allow consumers to buy a greater variety of goods at lower prices and help solve the problem of illegal immigration into the United States from Mexico.

To take one small example of how ordinary people and the overall economy would benefit, almost all families in the United States would pay a few cents less for frozen, concentrated orange juice if more of it was imported from Mexico. They would have that money to save, in-

take a strong stand to save their constituents a few pennies on orange juice. On the other hand, most lawmakers would go to the mat to block the plan if it put citrus growers or producers in their states out of business or cost their districts jobs.

Gary Hufbauer and Jeffrey Schott of the Institute for International Feonomics have calculated that by 1995, the North American Free Trade Agreement would result in about 325,000 new jobs in the United States, while costing about 150,000 jobs. That sounds favorable, But it would probably not be apparent exactly which new jobs were the consequence of the trade agree-ment, while it would be absolutely clear which were the ones that were lost.

The strongest supporters of the pact tend to be in states along the Mexican border. A free-trade arrangement would allow businesses there to offer more goods and services to the Mexican marker. And growth in the Mexican economy would mean that fewer immigrants would try to cross the border illegally.

The most vocal opponents are in the Midwest. Workers there in the car industry and other manufacturing sectors fear com-panies will move their plants to Mexico to take advantage of its lower wages.

So whoever is elected in November, po-litical blood is likely to be lost next year

### Zenith: Winners and Losers

By Stuart Auerbach

Washington Post Service
WASHINGTON — Zenith Electronics Corp.,

the last U.S. company still making television picture tubes in this country, will be a big winner from a North American Free Trade Agreement.

Under the agreement, picture tubes must be made in the United States, Mexico or Canada for TV sets to be sold duty-free in North America. This gives Zenith, the five Japanese firms and two European companies that make tubes in the

United States and Canada a price advantage over Asian rivals that now will have to pay a 5 percent tariff on TV sets they bring into the United States with imported tubes. This is on top of a 15 percent tariff to bring tubes to Mexico. Those tubes previously came in duty free if they were later exported as part of TV sets assembled there. The new trade pact will hart Far Eastern produc-

ers "that presently are dumping picture tubes in the United States through a final assembly plant in Mexico," said Chairman Jerry Pearlman of Zenith, which has won a series of rulings showing that Asian competitors are illegally selling TV sets in the United States at less than their fair market value. Mr. Pearlman said the trade agreement should

result in more jobs in picture-tube producing facility in Melrose Park, Illinois.

The companies making picture tubes are not the only gainers from NAFTA. Two U.S.-Japanese joint ventures that make the special glass for the

tubes also will gain, as will U.S. corn growers, truckers, automakers, manufacturers of telecommunications equipment, banks, insurance companies, construction and engineering firms and bro-kerage houses, industries that have long been shut out of Mexico.

Among the losers could be U.S. fruit and vegetable growers, sugar producers and manufacturers of

Although Zenith as a corporation stands to gain big from NAFTA, some of its workers lose from the closer economic links with Mexico. Others will gain.

The low-wage, low-skilled workers at the Zenith TV assembly plant in Springfield, Missouri, are among the biggest losers. Zenith announced in October it is closing that plant and moving the jobs to Mexico, where workers earn about one-tenth of the average \$11.27 an hour in wages and fringe benefits of the Springfield employees.

The winners include workers from the same union - the International Brotherhood of Electrical Workers — who hold higher paying jobs requiring greater skills at Zenith's picture-tube manufacturing plant in Melrose Park. Some of the more skilled workers there make two to three times the Springfield wage rate, company executive said.

The idea behind NAFTA is that there will be

more high-wage gainers in service and manufacturplus for employment, production and economic growth in the United States. But that is a hard case to sell to workers who lose their jobs as U.S. manufacturers move factories to Mexico.

### **NAFTA Is Short of EC** As an Integrated Bloc By Lawrence Malkin

International Herald Tribune

NEW YORK - The North American Free Trade Area will fall far short of the integration achieved by the European Community, and has no pretensions to emulating it. Unlike the EC, NAFTA will not be a customs union with a

common external tariff. The three participating nations cede no sovereignty to a central authority. The agreement does, however, emphasize the worldwide trend of industrialized nations to form regional trading blocs. There has been

some fear in the United States that low-wage Mexican assembly plants could serve as a back door for Japanese imports into the United States, especially in cars and light trucks. Although the trend toward trading blocs was part of the impetus, more important was the desire of President Carlos Salinas de Gortari of Mexico to create a free-trade zone to anchor his administration's

market-oriented reforms. This, too, was a major consideration of the The European ideal of free movement of labor is the opposite of policies behind NAFTA, which contains only a limited relaxation of immigration rules for professional and managerial personnel.

There is no agricultural or social policy, no attempt at a regional

policy to rectify the imbalances between, on one hand, the United States and Canada, and on the other hand, what is essentially a Third World country. There is a limited mechanism for settling trade s, somewhat stronger than the General Agreement on Tariffs and Trade but nowhere near the Brussels structu

There was no attempt to impose common health, environmental and safety standards, although opponents may try to move in that direction. Monetary coordination was not even discussed.

### **Deflation Fears Send Gold Lower**

CHICAGO — Gold plummeted to a three-month low and prices of other commodities also fell sharply on Wednesday amid concerns that the U.S. economy may be embarking on a period of deflation, analysts said. Gold for delivery in December finished \$8.90 lower, at \$342 an ounce, on the Commodity Exchange in New York. Weakness in futures was triggered by a drop in gold bullion below \$345, analysts said. Bullion closed \$8.55 lower, at \$339.25 in New York.

Analysts said the gold market was unnerved by a drop in the Commodity Research Bureau's index of 21 commodities to a six-year low Wednesday. "Not only did it reduce inflation fears, it started deflationary hysteria," said Bernard Savaiko, senior metals analyst with PaineWebber. Additionally, the government reported the producer price index rose only 0.1 percent in July.

re's a general deflationary trend in raw materials," said Philip Gotthelf, editor of Commodity Futures Forecast, based in Guttenberg, New Jersey. "Coffee is down, cocoa is down, the grains are down, the

whole days: Confee, Sugar and Cocca Exchange, coffee for September delivery fell 2.05 cents, to 50.75 cents a pound, the lowest since 1975. Expectations that Colombia, the second-largest coffee producer, will aggressively sell its beans depressed the market, analysts said.

Prices of other precious metal futures sank along with gold. Silver for delivery in September closed 12 cents lower on the Commodity Exchange, at \$3.775 an ounce, a new low for the contract. Platinum for delivery in October settled \$13.40 lower on the New York Mercantile Exchange, at \$354.30 an ownce, the lowest in more than three months. The absence of massive unrest in South Africa, the world's largest

producer of platinum and a leading producer of gold, also weighed on prices, Mr. Savaiko said.

Bucking the weak trend, energy futures rose on unconfirmed reports that Iraqi troops were moving toward the Kuwaiti border. September crude oil rose 17 cents, to \$21.08 a barrel.

(Bloomberg, Reuters)

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Source; Reulers.

CURRENCY & INTEREST RATES

Compiled by Our Staff From Dispatches HONG KONG - The government on

Wednesday launched an investigation into the affairs of the Allied group, controlled by the Malaysian businessman Lee Ming Tee, and it suspended trading in shares of the conglomerate and affiliated companies.

The group has interests in real estate, manufacturing, trade and the food industry.

The government said Financial Secretary Hamish Macleod, acting on the recommendation of the Securities and Futures Commission, had appointed an inspector to investigate five compa-nies in the group: Allied Group Ltd., Allied Properties (HK) Ltd., Crusader Holdings Ltd., Paragon Holdings Ltd. and Wai Yick Ltd.

Wesley McDade, senior manager for public affairs and policy at the commission, refused to say why the watchdog body had acted. When asked how long investigations had been under way, he said he was not in a position "to say that or why we have made these recommendations." Commission officials also refused to say how

long the stock-trading suspension would remain in effect

Hong Kong Begins Allied Investigation

A government spokesman said Mr. Macleod had acted according to the powers given him under clause 143(1)C of the colony's companies ordinance. This clause empowers the financial secretary to launch investigations into companies suspected of fraud, among other things

Trading also was suspended in shares of Allied Industries International Ltd., Asia Securities International Ltd., Paramount Printing Group Ltd., Santai Manufacturing and Tung Wing Steel Holdings Ltd. The length of the suspensions also was not specified.

The 10 companies have interests in a variety of businesses from real estatew development to manufacturing to financial services in countries including Brazil, Britain, China, Hong Kong

Patrick Leung, a spokesman for the securities watchdog panel, said a more detailed announcement would be made at a later date. "All we can say is we need more facts from these companies."

The securities panel said that while the inspector would look into the affairs of the specified five companies, it would also probe "cer-tain dealings" by the other five companies that have been suspended.

The Allied group said it intended to cooperate

fully in the investigation and hoped the matter

could be resolved quickly. It said it had not had any contact so far with the securities commission or the stock exchange on the matter. The suspension of Allied securities contrib-

uted to a decline in Hong Kong shares, analysts said. The Hang Seng index dropped 7.56 points, to 5.879.19. The index had surged 70 points earlier.

In Kuala Lumpur, shares of the Malaysian construction concern Pilecon Engineering fell after news from Hong Kong that the colony was investigating the Allied group. Lee Ming Tee had according to some reports recently bought a substantial stake in Pilecon, but a Pilecon spokesman denied the reports.
(Bloomberg, AP, AFX, AFP)

### **Banks Consider Canary Wharf Offer**

LONDON - Bank creditors of Canary Wharf, the huge London property of Olympia & York De-velopments Ltd. that is under court administration, are considering an offer of £300 million (\$576 million)

from a consortium of investors, fi-

nancial sources said Wednesday. The offer, from investors including the CBS Inc. chairman Laurence A. Tisch and the former Salomon Brothers Inc. vice chairman Lewis Ranieri, is the only serious one since Canary Wharf went on sale in May after Olympia & York sought court administration for the

project, the sources said. It would give the consortium the lion's share of the equity in Canary Wharf and relegate the banks to second place in seniority.

The offer is supported by Canadian banks and Citicorp, one banker said. An executive at Canary Wharf's

administrators, the Ernst & Young accounting firm, said Olympia & York and its 11 banks will meet in small portion of the project's equity London on Thursday to discuss the if the consortium offer is accepted. project. Sources said the consortium offer would be discussed, although they said some of the banks Mr. Ranieri, who runs the invest-

We will only go along with the

offer if we can be persuaded that the value of the project is sufficiently improved by the cash injection that it is worth being No. 2 in the new setup rather than No. 1 in the old," the banker said. Accepting the offer could mean

heavy writedowns for the banks, but it would enable a planned ex-tension to Canary Wharf of London's underground railway to go ahead. The British government has made the £1.7 billion extension contingent on getting £100 million of private financing. Olympia & York placed Canary

Wharf under British insolvency protection shortly after taking a similar step with its Canadian businesses after failing to restructure its \$12 billion in debts. Since then, Paul Reichmann, Olympia & York's chief, has been seeking investment partners to regain control

of the project.
Mr. Reichmann would keep a

were skeptical and would like to ment fund Hyperion Partners, to invest in the project, Mr. Ranieri's brother, Sal Ranieri, confirmed. "We are looking at it," Sal Ran-ieri said of a possible investment in Canary Wharf.

Mr. Tisch and Mr. Ranieri have "a long business association" with Mr. Reichmann, including arrang-

Pacific per aundeel op Holdings 10-08-1992 U.S. \$479.44 Genoteerd ter beurze van Amsterdim

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Inlichtingen: Piesson, Heldring & Pierson N.V. Antw. pr. 10169, 1000 PA Apisterdan, Teletoon 020-5211601. ing office space for each others' in-terests. (Reuters, AP, Bloomberg)

### MARUSAN ASIA GROWTH FUND

Fonds commun de placement Registered office: 7, rue du Marché-aux-Herbes

L-1728 Luxembourg DIVIDEND NOTICE

Notice is hereby given to all investors in the Marusan Asia Growth

All mitholders noted in the fund register as at close of business on August 7th 1992 will receive a dividend payment.

### Details of the dividend

Ex-dividend date: August 10th 1992 Payment date: August 24th 1992 Amount of dividend: USD 0.14 per unit

Registered shareholders will be sent payment autom Holders of bearer certificates are asked to present coupon No. 3 to: Banque internationale à Luxembourg

By order of the Board of the Management Company Wardley Asia Lovestment Services (Luxembourg) S.A.

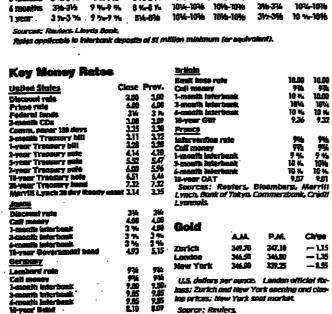
Luxembourg, August 10th 1992.

2, boulevard Royal L-2953 Luxembourg

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(Milan); Agence France Presse (Poris); 1 (Toronta); LMF (SDR), Other data front Res



BANQUE NATIONALE DE PARIS USD 400,000.000, floating rate notes 1984 due 1995

The rate of interest applicable to the interest period from 10 August 1992 to 10 February 1993, as determined by the reference agent is 5.25 % per cent per annum namely USD 268.33 per bond of

### MARKET DIARY

### **Poor Note Auction** Depresses Stocks

Compiled by Our Staff From Disputches
NEW YORK — U.S. stocks losed lower Wednesday after the pressury's sale of 10-year notes drew less demand than expected the anction results fueled a stide in bond prices and set off computer-suided sell orders for stocks. The Dow Jones industrial average fell 10.27 points, to 3,320.83,

#### **K.Y. Stocks**

3310.84 late in the day. recovering from a low of "We got hit with a double whamdy," said Jack Solomon, technical alyst at Bear, Stearns. "The aucion was so-so, and now we've got worry about tomorrow."

The final leg of the Treasury's parterly refunding, the sale of \$10 illion in 30-year bonds, is on tap ond, which was down 10/32 after the 10-year auction, rallied to close just 2/32 lower at 108 2/32, to yield

Although demand was less than expected, the average yield on the 10-year notes of 6.49 percent was the lowest ever, and down from 7.53 percent at the May auction.

Decliners outpaced advancers by a margin of 8 to 6 on the New York Stock Exchange. Volume was a earnings estimates on concern that moderate 177.4 million shares, up price cutting was squeezing marfrom 173.8 million Tuesday.

linvestors largely ignored a Labor Department report that the producer price index rose just 0.1 percent in July. But a drop in the Commodity Research Bureau's index of 21 commodity prices, which fell 1.46 to a new six-year low of 198.38, hammered mining stocks. Newmont Mining dropped 3% to 44%, Newmont Gold slid 3% to

The long-awaited North Ameri-

of I million shares changed hands. Alex. Brown raised its rating of Limited to "buy" and increased

### Central Banks Absent As Dollar Edges Lower

-Compiled by Our Staff From Dispatches NEW YORK - The dollar ended mostly lower in this adding on Wednesday as central banks re-frained from intervening after Tuesday's support of the U.S. currency. "After yesterday, there's not much central banks can do apart

#### Foreign Exchange

from hold their heads in shame." said Henry Wilkes, foreign exchange manager at Bank Julius Bacr.

The dollar ended at 1.4632 Deutsche marks, down a bit from 1:4659 at the Tuesday close and significantly below the 1.4790 it reached after at least 15 central banks bought the currency on

Tuesday. Dealers said the intervention on Tuesday by the U.S. Federal Reserve Board and more than a dozen other central banks failed to bring a real turnaround in currency market sentiment.

The market instead persisted in focusing on the gap between U.S. interest rates, the lowest for around 30 years, and German rates that are at their highest level since World War II. We need monetary policy to

WORLD STOCK MARKETS

40% and American Barrick Resources lost 1% to 27%.

can free-trade pact had little immediate impact, although analysis viewed it as a long-term positive. Limited fell 1/2 to 20 after a block

earnings estimates today.

Gap [ell | 10 31%, after tumbling 10 percent on Tuesday as analysts

pruned earnings estimates to re-flect back-to-school discounting. McDonneli Douglas added to its gains in the wake of the company's recent restructuring announce-ment. Recommendations by First Boston, PaineWebber, and Cowen as well as investors buying back borrowed shares, propelled the stock up 1 to 41%.

Federal Express tumbled 2¼ to 41% after analysis cut first-quarter price cutting was squeezing mar-(Bloomberg, Reuters)

# back up a dollar rise," said a deal-er at a Japanese bank in New

York. "The central banks are getting less and less effective."
In other New York trading, the dollar fell to 127.30 yea from the Tuesday close of 127.97, and it fell to 4.9590 French francs from 4.9665. But the U.S. unit edged up to 1.3205 Swiss francs from 1.3198

at the Tuesday close.

The pound rose to \$1.9305 from \$1.9280. Earlier in London, the dollar ended at 1,4633 DM, down from 1.4730, and it fell to 127.720 yen from 128.075. The dollar also fell to 1.3220 Swiss francs from 1.3250 and to 4.9630 French francs from

4.9915. The pound rose to \$1.9890 from \$1,9195, but it fell to 2.8236 DM Dealers were nervous about a

move by the Bundesbank, which drained 24 billion DM from the money markets in repurchase, agreements and left the 28-day repo rate unchanged at 9.7 percent, highlighting the gap between U.S. and German rates.

Also in London, the Australian dollar fell below 72 U.S. cents for the first time in two years. (Reuters, Bloomberg)

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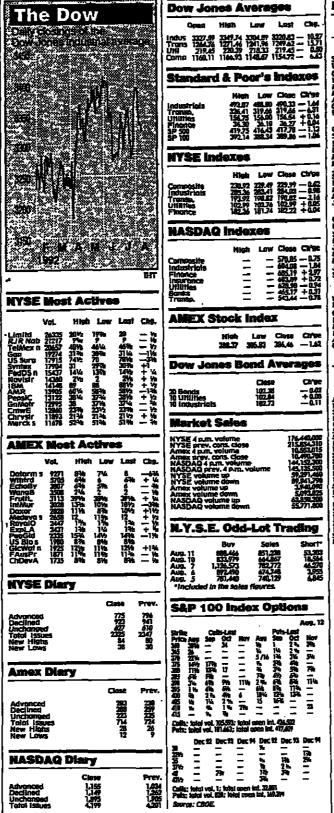
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### De Beers Shares Are Battered

JOHANNESBURG - The shares of De Beers Consolidated Mines Ltd. (ell more than 9 percent on Wednesday as investors reacted to the amouncement that its final dividend could be substantially-cut.

Since Monday's close, the diamond giant's shares have fallen about 15 percent. The drop in De Beers saw associated companies Anglo American Corporation of South Africa Ltd. and Anglo American Investment Trust

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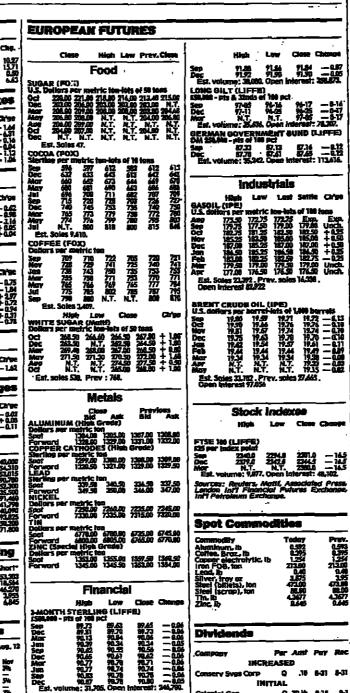
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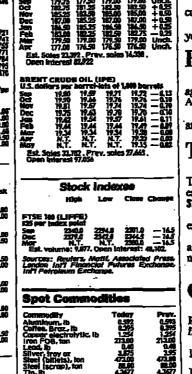
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### U.S./AT THE CLOSE

### Martin Marietta Won't Match Loral DALLAS (Renters) - Martin Marietta Corp. said it would not raise

the stakes in its \$440 million agreement to buy two LTV Corp. units-despite a \$475 million offer led by Loral Corp. that is to be considered by the bankruptcy court on Thursday.

A spokesman said Martin Marietta does not consider Loral's announcement to be a bid. He said his announcement to be a bid.

nonnement to be a bid. He said his company expects to close a deal with LTV within two weeks. Loral is bidding with Carlyle Group and Northern Carlyle Group

throp Corp.

Last week Martin Marietta announced an agreement to buy LTV's aerospace and missile divisions for \$440 million.

#### Hertz to Cut Back New Car Purchases; PARK RIDGE, New Jersey (AP) - Hertz Corp. will reduce its new car purchases by one third in the 1993 model year, company executives:

Ford Motor Co., which owns 49 percent of Hertz, recently announced cuts in flect sales, prompting the decision to cut purchases by 100,000.

A spokesman said Hertz, which bought 300,000 cars for the 1992 model. said Wednesday. year, would operate its ears for nine months instead of six.

### Banner to Buy Pan Am Spare Parts

CLEVELAND (UPI) - Banner Aerospace Inc. said Wednesday it had sereod to purchase the aircraft parts inventory of Pan American World, Airways Inc. for \$45 million. The inventory includes components mainly for Boeing 747, Boeing 727and Airbus A-300 aircraft.

### TWA Said to Lose \$1 Million a Day

WILMINGTON, Delaware (Combined Dispatches) - A witness for Trans World Airlines told the bankruptcy court Wednesday that an estimate putting TWA's daily losses somewhere between \$1 million and 1 strength of the summer sounded reasonable.

Janet Steinmayer, TWA's general counsel and senior vice president for external affeirs, affirmed the figures.

TWA was granted 60 more days to file a reorganization plan after; another attorney, David Kurtz, said "substantial progress" has been made to transfer control to unsecured creditors and unions.

### **GM to Reveal Additional Closings**

DETROIT (Renters) - The chairman of General Motors Cosp., Robert Stempel, said the automaker is likely to identify additional factories it intends to close before the end of the year. GM plans to close 21 North American parts and assembly plants by 1995. So far, the automaker has identified 14 locations.

### **Buffett Increases Wells Fargo Stake**

WASHINGTON (AP) — Billionaire Warren Buffett has purchased an additional 613,000 shares of Wells Fargo & Co., increasing his stake in the bank holding company to 10.75 percent from 9.7 percent, it was disclosed Wednesday disclosed Wednesday.

Mr. Buffett reported that his Berkshire Hathaway Inc. purchased 613,500 shares from Ang. 4 to Ang. 10 at prices ranging from \$66.80 to \$68.22 per share. Wells Fargo closed up \$1.125 Wednesday on the New York Stock Exchange, at \$69.375.

#### For the Record

Tyeo Toys Inc. has signed a letter of intent to buy 75 percent of Croner Trading Pty., an Australian toy distributor. No terms were given.

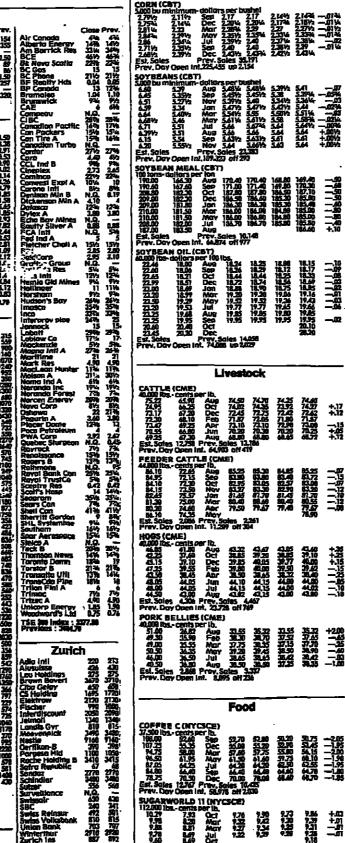
A.E. Staley Manufacturing Co. plans to cut salaried staff by about 25

tern Steel & Wire Co. and Kohlberg & Co. said the Kohlberg affiliate KNSW Acquisition Co, acquired a 52 percent stake by buying about \$35 million in newly issued Northwestern shares. (Reuters)

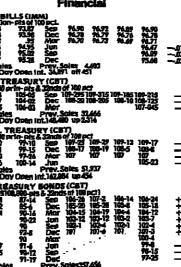
"The company's credibility is in tatters," said David Shapiro, of Frankel Max Pollak Vindeone Inc. "Barely two months ago everything was rosy about the outlook for the second half." The shares were down 6.40 rand (\$2.31), at 62.60.

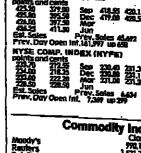
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Clearance

LONDON - Boots Co.

whose Manoplax heart-failure

compound was approved by British regulators Wednesday,

said it expected the U.S. Food

and Drug Administration to

fully approve the medication by March 1993.

The drug was under review in the United States by an FDA

panel, and Alastan Eperon, spokesman for the British com-

pany said it expected "full reg-istration" this financial year.

America already has ap-proved Manoplax for patients

ntolerant of certain medicines

used to treat heart conditions.

actively marketing Manoplax

in the U.K. in the early au-

tumn," where the size of the

heart-failure drug market is about £35 million (\$67.2 mil-

lion) a year, Mr. Eperon said.

taled about \$550 million a

year, and the world market

develop Manoplax, on which

it began trials in 1983 and which enables the heart to

pump more efficiently by reducing pressure on arteries.

Analysts said Manoplax

would not turn Boots into a

major drug producer but add-

ed weight to a portfolio where

profit from the best-known

drug, the anti-inflamatory

Ibuprofen, has been pressured

Boots derives about 19 per-cent of sales and 32 percent of

profit from pharmaceuticals.

since its patent expired.

about \$2.2 billion.

He said the U.S. market 10-

Boots spent £100 million to

Boots said it would start

By FDA

# Awaiting Europe's Arms Cuts

By Barry James

Cutbacks in defense spending in Western Europe have been more apparent than real, a leading defense economist said Wednesday, and future reductions are likely to be "slow and gradual" rather than dramatic. Somnath Sen, professor of economics at the University of Birmingham, England, said the fall in defense spending in Western Europe since the collapse of communism "has been very marginal indeed," stabilizing at about \$150 billion in 1988 prices.

"European military expenditures have not shown a substantial decline," Mr. Sen said, "and I would say that the reason for this is that the increase in such spending was relatively gradual compared to the ma-jor increases in the United States and the Soviet Union

in the early-to-mid-1980s." Mr. Sen is co-author with Saadet Deger of a report on world military expenditure for the Stockholm international Peace Research Institute. The institute

tracks such trends annually, using published data.

The report says that despite the lessened threat from the East, any peace dividend in Europe is likely to be some time in coming Reductions in force levels or weapons programs are counterbalanced by increased costs for pensions, severance payments and resettle-

ment, or contingencies to restructure defense industries. The institute's report says that European members of the North Atlantic Treaty Organization countries have reduced defense spending to trim budget deficits rather than as a response to the collapse of the Soviet

Aggregate military spending in Western Europe in 1991 remained about the same as in 1990, according to

Peugeot

**Boosting** 

In China

Wednesday.

Car Output

PARIS - Pengeot SA

plans to increase its car pro-

duction in China from the cur-

2 Pengeot formed its joint

yenture Guangzhou Pengeot Automebiles Cop in 1985. If Jowns 22 percent of the unit

Chinese partners hold the rest, including a 46 percent stake for Guangzhou Automo-bile and 28 percent for China

Industrial Trust Investment

A Peugeot subsidiary, Ci-

troën, has also formed a joint venture in China that is to

is has 4 percent.

Weapons procurement fell 12.5 percent in Germany last year, largely because of the acquisition of assets from former East Germany, including MiG-29 interceptor jets. But leaving out Germany, spending on weapons in NATO rose 22 percent, the report says.

Mr. Sen said the only really dramatic weapons cutback in Europe since the fall of the Berlin Wall has been Germany's announcement that it was withdrawing from the European Fighter Aircraft project.

The reduction in procurement and the decline in the demand for defense products is going to be a long process," he said. "It is not going to involve dramatic restructuring. It is going to be slow, gradual and

But in the long run, he said, "I think it is inevitable that military expenditure will go down because it is politically not feasible to explain to electorates why they should be kept so high at a time of recession."

The institute's assessment coincides with the views of other observers. A United Nations committee on the potential uses of resources allocated to military activities reported that "negotiated cuts in manpower and equipment are official policy." but that "the process of developing new and sophisticated weaponry has not been halted."

The latest edition of World Military and Social Expenditures, published in Washington, says that "the promised new era in international affairs has not yet materialized in the form of significant cutbacks in arms spending."

"The crisis, then war, in the Middle East made it casier for governments to resist basic changes in budget priorities. The fever for weapons modernization appears to be infectious."

(Continued from page 1) creating jobs not only at military

DRI/McGraw-Hill, an econom-

rent 20,000 a year to 150,000 by the year 2000, Philippe Marcenac, head of Peugeot's Asia-Pacific region, said Certain areas, such as Southern He also said in a published still to come. interview that Pengeot's joint venture in China had so far

spending has accounted for an avcost it 1.3 billion francs erage of more than 7 percent of the (\$261.7 million) but was prof-itable and should have revenue nation's annual output of goods and services, seldom falling below 5 percent even during earlier cut-backs. Today that level has shrunk of 2.2 billion francs in 1992. He said that the venture would "launch new products, to just about 5.5 percent of the gross domestic product, and most projections see it sinking below 4 helped by another quite major further investment. He refused to give any figure for the

> Nowhere is the effect on the milimonthly employment statistics.

Beginning in the middle of 1990, creating jobs not only at military contractors but also at the companies that make the consumer goods that the well-paid contractors' month. That decline — of some contractors are the consumer goods.

> Compounding the problem, workers for military contractors earn among the highest hourly wages in the nation, usually well above the national average of \$10.58 an hour. When their jobs disappear, consumer spending suffers more than if a lower-paid retail store clerk or office worker is laid

Despite the bounty of military

The same dollars invested in rapid transit or housing or fiber-optic networks, they say, might have cre-Weaponry.

#### **Commercial Union Gets** Boots Sees **Back to Profitability Heart Drug**

for the first time in a prolonged recession in the second quarter, from £6.9 million, as the company and the insurer said Wednesday cut expenses and reduced the frethat results should to improve as its life insurance business expands and general premium rates rise.

The company showed a pretax profit of £2.3 million (\$4.4 million) for the second quarter after providing £15 million for damage to its headquarters caused by a bomb apparently planted by the Irish Republican Army in April.

It was still in the red over the first half, but the pretax loss narrowed to £18.1 million from £26.3 million in the same period a year earlier. It held its interim dividend unchanged at 9.25 pence a share.

The results came just one day after the rival insurer General Accident PLC reported a return to profit in the second quarter, and were slightly better than analysts had expected. Commercial Union shares rose 8 pence, to 443 pence. "The statement was encouraging," said Youssel Ziai, an analyst at

Morgan Stanley. General insurance is beginn to benefit from the measures taken to improve profitability, while the expansion of our life business con-

tinues to make good progress, Chief Executive Tony Brend said. Commercial Union said its objective was to restore profitability in general insurance by tightly controling underwriting and costs and put-

ting up premium rates. This policy began to bear fruit in Britain in the first half, where its pretax loss narrowed to £9.5 mil-

ion from £16.5 million a year ago. Underwriting losses in Britain eased to £95.9 million from £104.3 million even though recession-re-lated claims continued unabated. The company said a quarter of its industrial fire claims stemmed from arson, while theft claims rose 29 percent to £55 million.

Other markets took longer to re-LONDON - Commercial spond to rate increases, especially Union PLC moved into the black in Europe. But pretax profit in the United States rose to £17.4 million cut expenses and reduced the fre-quency and severity of claims.

Life insurance, which accounts for a third of Commercial Union's business, expanded strongly, with new life premiums up 34 percent.

Overall life profits slipped to £50.7 million from £53.7 million because of the effect of new business growth, which increases life profits in the future at the expense of current profits.

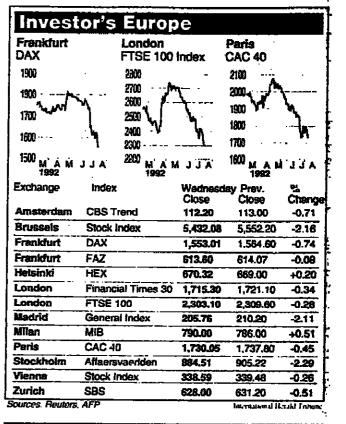
#### Samsung Buys **Eastern Germany** Television Maker

BERLIN — Samsung Co. has bought one of the largest television manufacturers in former East Germany, the first major investment in the ex-Communist state by a Kore-

an company, Berlin officials said Wednesday. Samsung has agreed to buy Werk für Fernschelektronik GmbH, a Berlin company that once em-ployed nearly 10,000 people but has trimmed its staff to 1,200, according to Norbert Meisner, the city's minister responsible for technology and for the economy.

Samsung has promised to retain 800 workers and hopes to boost the number to 1,000 within two years,

Annual capacity of the German company is 1.2 million sets, giving Samsung a manufacturing bridge-head in eastern and central Europe. But the German company posted a loss of 150 million Deutsche marks



#### Very briefly:

Eurotunnel SA said it was making progress in talks with TransManche Link, which is claiming 14 billion francs (\$2.8 billion) in added construction costs; Eurotunnel said the dispute could be over within weeks. Switzerland's consumer confidence fell to a 1992 low in July, depressed by the stagnant economy, high unemployment and the downturn in the construction sector, the Federal Office for Business Questions said. · Wella AG said it has formed a joint venture with its Hungarian distributor, Florin, under the name Dunawell.

 Novo Nordisk A/S said first-half net profit rose to 649 million kroner (\$113 million) from 458 million kroner a year earlier. Sales rose 21

percent to 5.4 billion. Moscow agreed to lease land to McDonald's Corp. on the historic Arbat Street for a fast-food outlet, due to open in 1994. Interfax reported.

 Portugal said its direct foreign investment rose 47 percent, to 319.8. billion escudos (\$2.6 billion), in the first half; Britain was the largest investor, with 20 percent of the total; Total SA of France made the largest investments, including buying a stake in the state oil concern Petrogal (\$102.6 million) last year on sales of • Total said it found oil on the Halewah 2 drilling site in Yemen, only 130 million DM.

Reuters, Bloomberg, AFX, AFP

### SPENDING: Brake on Recovery

workers buy.

ic consulting service, estimates that this lower level of military spending "probably cuts one-quarter of a percentage point off economic growth," said David Wyss, DRI's chief economist. "That is a considerable drag in a nearly stagnant economy growing at less than 1.5 percent a year."

California, are being hit especially hard. And industry executives suggest that considerable shrinkage is

For four decades, military percent by 1997.

225,000 people — represents 15 percent of the 1.47 million jobs that have disappeared during the current recession, which began in July

spending, critics such as Robert M. Solow, the Nobel Impreate in economic science, and Albert T. Sommers, senior economist at the Conference Board, have argued that the same money used to develop civil-ian technologies could have made the United States more competitive with other nations, not less compet-

tary supply industry more evident ated more jobs and more national than in the Labor Department's wealth than the investment in

### TRADE: Canada, U.S. and Mexico Create Economic Bloc 360 Million People Strong

(Continued from page 1) will eventually create more jobs,

better jobs," Mr. Wilson said, In Mexico, Mr. Salinas sought to reassure those who fear the treaty wili spur environmental damage by industries moving to Mexico to take advantage of weaker environmental regulations.

We will not allow industries to contaminate or damage the envi- cent higher than ours." ronment while taking advantage of Mrs. Hills said the pact reprethe treaty," he said...... The most immediate impact of eliminate all quotas on textiles and parts to Mexico or Canada for as-

the far-reaching agreement would be to reduce trade barriers with Mexico. The United States reached a separate agreement with Canada in 1988 to abolish all tariffs.

"Let's face it; Right now we have a one-way free-trade agreement with Mexico," said the U.S. trade representative, Carla A. Hills, This dismantles tariffs 150 per-

sented the first trade agreement to \_anese companies that want to ship.

cess in agriculture and to establish products in the United States. free trade in services.

The knottiest issues holding up completion of the pact involved the crucial question of jobs in the three countries. Sources said Mrs. Hills and her counterparts from Canada and Mexico sought a formula to make sure that North American auto manufacturers gained the benefits of the agreement, not Jap-

apparels, to grant total market ac-sembly and then sell the finished

Also in dispute at the final sessions were how fast to open Mexico's oil industry to the more efficient U.S. and Canadian service companies, how long to protect industries most sensitive to imports and how to settle trade disputes among the three countries.

In Congress, the final agreement is not expected to be presented to the lawmakers until next month. They will have 90 days to work with

the administration to draft implementing legislation.

Under a special "fast-track" procedure, Congress then has 90 more "legislative," or working, days to approve the deal, with no amendments permitted.

Mexico already has achieved economic gains as a result of entering into the free-trade talks. Foreign investment there, largely from the United States, has soared; reaching almost \$10 billion last:

#### IMPACT: Accord Is Seen Creating New Opportunities Area. The Community also is forming closer relations with Central Eu-Latin American states join the North American free-trade area. ropean nations such as Czechoslo-

"The question is systemic and political — whether this is the pre-

cursor to the world dividing into three rival trading blocks and blocs," said a trade analyst at the Organization for Economic Cooperation and Development.

Western Europe is rapidly beto reach 37,500 vehicles. Dongleng owns 70 percent and Citroen has 25 percent, with the rest beld by two

vakia, Hungary and Poland. One remaining question is how Japan will respond to these developments. Does it remain outside up to their free-trade commitments of the General Agreement on Tariffs and Trade, or does it seek to create an Asian trading bloc, the

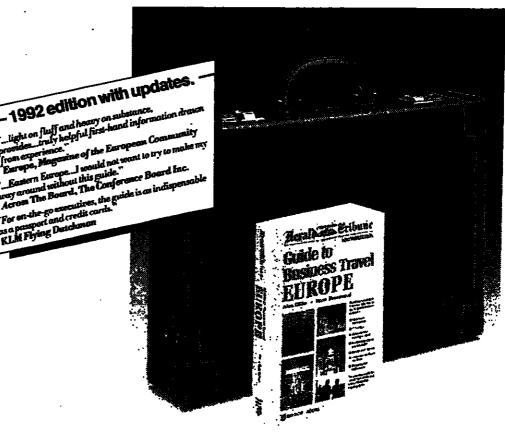
coming an ever-larger bloc, with the analysts ask.

12-nation European Community set to link with such nonmembers as an Asian bloc, the worrisome ques-Switzerland, Austria and Scandina- tion to which no one has an answer vian countries next year to form the is whether three players sitting government procurement 19-nation European Economic around the negotiating table facili-sidies are too important."

among blocs sets the stage for new era of rivalry and friction

Under GATT rules, countries are free to form trading blocs and establish privileged trading ar whether such an event will reduce any bloc, playing the role of an rangements so long as there is no or increase tensions between the outsider insisting that others live increase in barriers to trading with outside countries.

Mr. Yeats said he believed a three-trading-bloc world would make negotiations on liberalizing trade easier. "I can't imagine the United States, the EC or Japan flouting the GATT," he said. "Its dispute procedures and its codes on rnment procurement and sub-



Amsterdam, Athens, Barcelona, Belfast, Belgrade, Berlin, Brussels, Budapest, Copenhagen, Dublin, Dusseldorf, Edinburg, Frankfurt, Geneva, Helsinki, Istanbul, Liechtenstein, Lisbon, London, Luxembourg, Madrid, Milan, Moscow, Munich, Oslo, Paris, Prague, Rome, Stockholm, Vienna, Warsaw, Zurich.

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start producing cars this year. That venture is held with Dongfeng Co., a Chinese car-maker, and will produce vehicles with parts sent from France. Production is planned

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every Saturday in the IHT.

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# , Shanghai Cracks as Shenzhen Cools Off

By Laurence Zuckerman International Herald Tribune

HONG KONG — China's stock market freezy shifted north on Wednesday to Shanghai, where prices plunged in panic selling. But analysts and brokers here said they were increasingly confident that Beijing would support the country's fledging stock markets.

"It's an ugly situation but not the end of the reform program by any means," said Gary Coull, managing director of Credit Lyonnaus Securities Asia.

Mr. Coull and other brokers pointed to a series of reforms announced Wednesday designed to make the Shanghai Stock Exchange more appealing to foreign investors as a sign that China's experiment with stock markets will

Trading resumed on the Shenzhen Stock Exchange in the aftermath of Monday's rioting.
Authorities had suspended the Tuesday afternoon session to allow brokers to help distribute vouchers for additional share application forms to prospective investors eager to participate in a lottery for 14 stock issues. On the streets, witnesses said there was a brisk market

in the vouchers, which were selling for 3,000 year (355), three times their original price.

The prices of A-class shares, which are reserved for Chinese, ended the day virtually unchanged, according to the Credit Lyonnais

Securities Asia Shenzhen A-Share Index. B-banks — Barclays Bank, Citibank, Hongkong shares, reserved for foreigners, were down 1.7 & Shanghai Bank and Standard Chartered — to

But as news of the riot in Shenzhen reached Shanghai, Chinese investors there dumped shares. Prices of some Shanghai stocks tumbled more than 50 percent after the market opened, according to securities dealers in Hong Kong. By afternoon, however, prices bonneed back and the Shanghai stock index ended the day down about 9.5 percent.

Hong Kong brokers and analysts said the effect of the Shenzhen riot on Shanghai was being exaggerated. Shanghai share prices had been dropping since Monday because of works ries about a spate of more reasonably priced issues about to reach the market, they said.

The Chinese who are playing the market realize that there are a lot of cheap shares coming, and they don't want to get stuck with expensive shares," Mr. Coull said. Mr. Coull and other brokers said they were encouraged by the outcome of a meeting be-tween foreign brokers and bankers and officials of the People's Bank of China and the Shanghai

Stock Exchange on Tuesday.

The Chinese officials announced a series of changes that addressed many of the complaints raised by international brokers since B shares

began trading in February.

The changes included allowing four foreign

trade nominee accounts, denominating B shares in U.S. dollars rather than youn, permitting prearranged transactions between buyers and sellers and disclosing firm listing dates in each new placing memorandum.

"That will provide a lot of convenience for American and European investors," said Michael Ning, vice president for China operations for Standard Chartered Asia.

Meanwhile, China's official press addressed the unrest at length for the first time Wednesday. The state-owned China Daily referred to Monday's violence as a "riot," but made only a fleeting reference to charges of corruption made by many of the thousands of peasants and workers who flocked to Shenzhen in the

hope of buying share application forms.
"We won't deny there is imperfection in the current sales method since we are in fact very inexperienced," Shenzhen's mayor, Zheng Liangyu, was quoted as saying. He said the government had decided not to allocate future nes by lottery but would employ a new meth-

od "in accordance with international practice."

The paper quoted an unidentified official at People's Bank of China, the main stock exchange regulator, as saying the drop in prices in Shanghai was good because it would make investors more aware of the risks of investing.

### Taiwan Loan Dispute Reveals Split on China

TAIPEI - A dispute over whether Taiwan businesses can use local bank loans for investments in China has revealed a split among policymakers over the island's stance on economic links to the mainland, analysts said Wednesday.

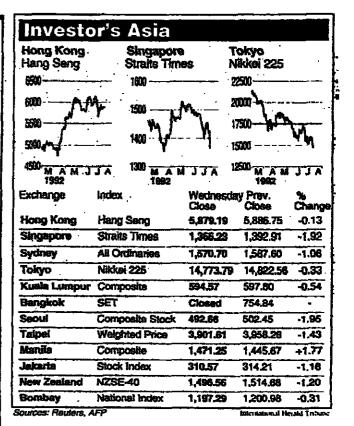
Direct trade and investment between Taiwan and China are banned by the government, whose blueprint for reunification foresees unob-structed economic links only after a phase of indirect contacts.

Yet indirect business is ballooning. Indirect trade, mostly conducted through Hong Kong, is expected to reach a record \$7 billion this year, while unofficial estimates of Taiwan's investment in China rum as high as \$10 billion.

The dissent came to light on Tuesday, when the chairman of the state-run Bank of Taiwan, W.D. Shen, publicly disavowed a statement made the day before by the bank's president, C.M. Pa, that suspended loans to businesses for projects in China. Mr. Pn later said he was speaking for himself and not the bank, even though the policy was spelled out in a bank press release on Monday.

"It seems that if you are an investor or entrepreneur, you will be totally confused by the government's policy," said David Yu, research manager at Wardley James Capel Taiwan, "There is no

Political analysts said top government leaders are, in fact, unified on a gradual approach to mainland ties but ministerial-level officials tended to seek faster change. Those officials are said to be especially disposed to appeals by businesses to quicken the easing of trade and interesting trade in the case of the



### Indian Stock Scam Forces Review of Privatization

NEW DELHI - Prime Minister P.V. Narasimha Rao on Wednesday accepted opposition demands to review a policy on

selling shares in state-owned enterprises.

Opposition members said the government had underpriced 30 billion rupees (\$1.1 billion) of shares from 29 public-sector enterprises, which it sold to banks and mutual funds in its privatization program. They said the cheap shares had contributed to a stock market scandal under investigation by federal police and a parliamentary committee. Police have arrested 29 bankers, brokers and officials for

allegedly colluding to divert funds from government securities and public enterprises to invest in the Bombay Stock Exchange. George Fernandes, a Socialist member of Parliament, alleged the deal to sell shares to banks and mutual funds had been approved by a government committee in which V. Krishnamurthy, a scandal suspect, was a member. "The shares were fixed by the committee, which connived with brokers for a deal to keep the prices low," he said. Mr. Krishnamarthy and his son were arrested last week for allegedly accepting money from Harshad Mehta, a broker who is a

key suspect in the scandal.

Officers with no experience in the sale of shares have played havoe," said Atal Behari Vajpayee, another member of Parliament. There should be no hesitation for the government to take the experts' advice before further transactions

## Japan at Odds on Economic Package

TOKYO - Japan's politicians and bureaucrats are blaming each other for slow progress in drawing up an urgently needed economic stimulus package by the end of

The bickering comes at a time when Japan's mid-August holidays will make it even harder to achieve quick agreement on an economic package. Many politicians have gone back to their constituencies during the parliamentary recess-that began on Tuesday. Prime Min-ister Kiichi Miyazawa left Tuesday evening for 12 days at a holiday

Everyone is agreed that the economy needs stimulative medicine. The Tokyo stock market's Nikkei average, which tumbled below afraid the public would criticize the 15,000-yen level on Tuesday for them for failures. the first time since March 1986, eased a further 48.77 yeu on Wednesday, to close at 14,773.79.

rescue package of nearly 7 trillion yen (\$55 billion). But bureaucrats, especially of the Ministry of Finance, say this is extravagant. "We do not want to quote any

budget figures that will not match economic reality," one ministry official said. Foreign Minister Michio Watanabe told his cabinet colleagues on Tuesday that the government

should do something drastic to stop the fall in stock prices.
The Economic Planning Agency minister, Takeshi Noda, said bureaucrats were too cautious, always

Many argue the best thing would be to encourage local governments to buy more land for public works Corporate profits are tumbling, projects, which would accelerate the and few economists think the gov- flow of money and prop up land projects, which would accelerate the

crument will meet its growth target prices. On Tuesday, Finance Minister Tsutomu Hata proposed that local governments buy land held by

Leaders of the ruling Liberal banks and real estate companies.

Democratic Party have called for a "That is the only reliable way "That is the only reliable way I can think of to encourage investors to return to the stock market," said Chimpei Nozne, a member of the upper house of parliament. "But when it comes to how to implement this plan, you face bureaucratic factionalism."

The National Land Agency said Wednesday that land prices dropped further in the April-July quarter. It said 96 percent of land prices in residential areas and 98 percent in commercial areas re-mained unchanged from the preceding quarter or showed a fall.

The government is expected to buy up to 1.5 trillion yea worth of land in the latter half of the current fiscal year for public works projects, the Nihon Keizai Shimbun reported on Wednesday.

### EVA Airways Posted a Loss In Its First Year

TAIPEI — EVA Airways, which began flights in July 1991 as Tai-wan's second international airline. said Wednesday it had a net loss of \$40 million in its first year.

But a spokesman for EVA said. sales were strong and the airline would press ahead with a rapid expansion program because of a boom in travel by Taiwan people. EVA is part of the Evergreen Group, the world's largest container-shipping operator. Taiwan hastwo other international airlines, its flag carrier, China Airlines, and Mandarin Airlines, which began

flying last October. EVA said the loss was posted over the whole of calendar 1991, because it formally began preparad on Wednesday.

(Reuters, Bloomberg, AFP)

tions to operate in January that year. The spokesman declined to reveal the airline's revenue.

#### Very briefly:

Nippon Metal Industry, Nippon Stainless Steel Co. and Nippon Yakin-Kogyo will reduce stainless steel production by up to 15 percent.

 Keppel Corp., a shipping-based conglomerate, posted a 6.8 percent first-half pretax profit rise, to 131.2 million Singapore dollars (\$81 million). New Zealand's trade deficit for the year to March was 329 million New Zealand dollars (\$178 million), down from 2 billion dollars in the comparable period a year ago, revised figures revealed.

· Ranon Ltd., a joint venture of Cheung Kong (Holdings) Ltd. and its partial subsidiary Hutchison Whampon Ltd., has received an increase in its syndicated loan to 1.35 billion Hong Kong dollars (\$181 million) from 1.2 billion dollars, the arranger, CEF Capital Ltd. said.

• Amoco Oil Co. has been refused tax privileges for a 10 billion baht (\$400 million) petrochemical plant in Thailand, although the Thai-Taiwanese Tuntex received such privileges, the Bangkok Post reported.

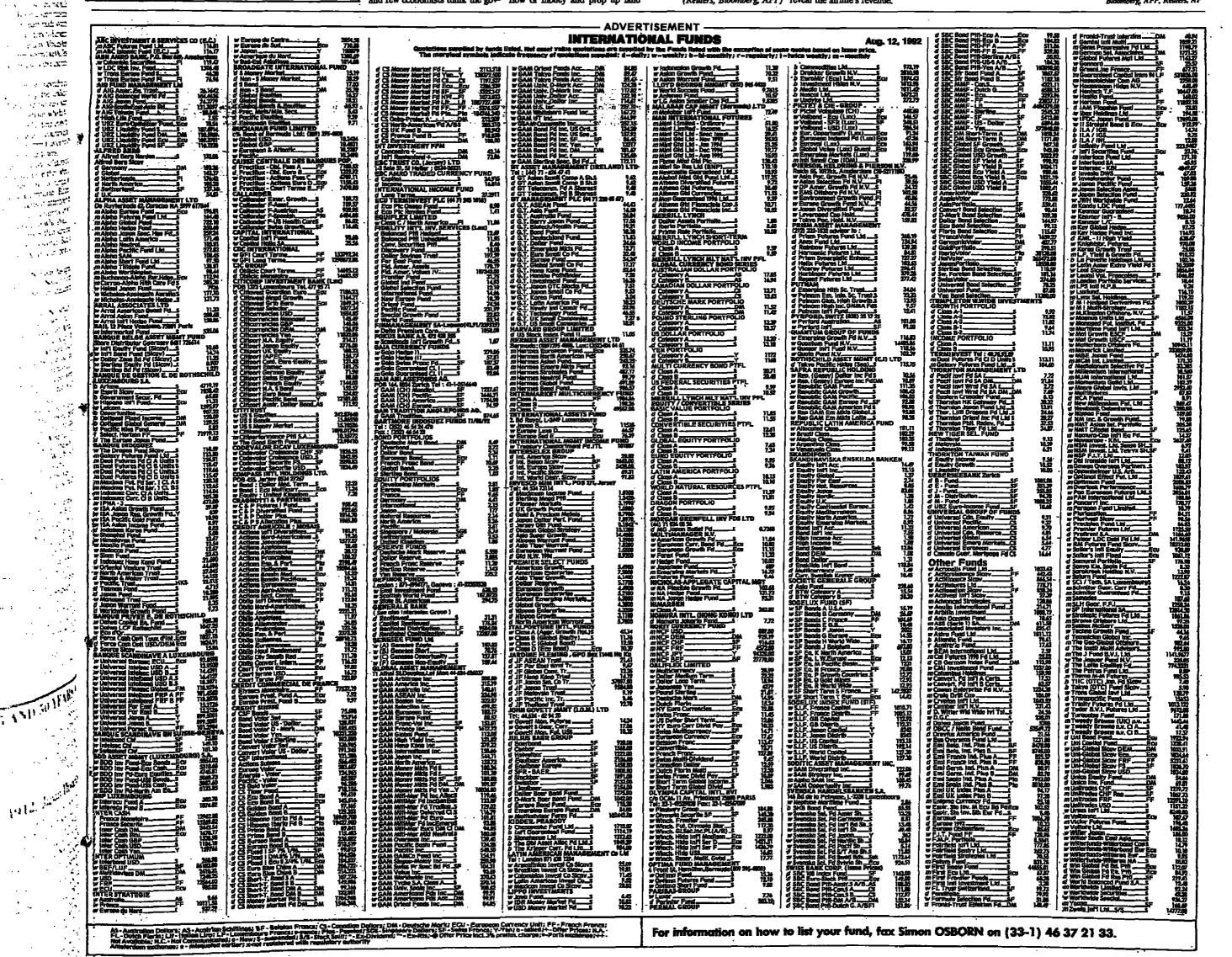
 The Philippines has asked Taiwan to provide up to \$100 million for industrial projects and offered Taipei the use of an airstrip at the Subic Bay Naval Station, soon to be abandoned by U.S. forces

» Philippine National Steel Corp.'s operating profits fell to 355 million pesos (\$14.2 million) in the first half, from 533 million pesos.

• China will make a second attempt this week to launch an Australian telecommunications satellite by Long March 2-E rocket, five months after the first launch failed.

• North Korea's economy showed signs of sharper decline in 1991 because of loosening economic ties with former communist allies and poor domestic output, a survey by Seoul's Bank of Korea said.

Bloomberg, AFP, Reuters, AP



# **SPORTS**

### Frustration Ended, Kite on Upswing for PGA Championship

By Jaime Diaz New York Times Service

ST. LOUIS, Missouri - A year ago, Tom Kite came to the PGA feeling to be announced on the first most frustrating period of his ca-said Kite. "After 20 years out here reer. The week brought one more and doing what I had done, it was

At this week's 74th edition of the PGA Championship, which starts Thursday at the Bellerive Country Club here, Kite comes in holding the U.S. Open title and at the pinnacle of a 21-year career that has this season seen him stretch out his lead as the biggest money winner in the history of golf,

And just as many wondered whether 1991 might mark the beginning of the end for Kite, it is litting that many rate the 42-yearold Texan a favorite to win his second major title of the year and of his career - on Sunday.

"Last year was full of disap-pointments." Kite said Tuesday af-ter his first practice round. "I missed qualifying for the Masters and the Ryder Cup, but more than anything. I just didn't perform the way I always have. But I don't Couples and Davis Love 3d on the money list and has pushed him over 37 million for his career.

Faldo the Betting Favorite enjoy playing poorly. Consequently I don't do it very often."

If Kite plays well this week, he will be very dangerous. Although Bellerive is one of the longest championship courses in the Unitters) its tight driving areas and shallow greens place more of a premium on accuracy than power.

keeping it in the fairway," said Kite, who won the Open at Pebble Beach in California in June with the same approach. "Whoever wins this tournament is going to have to stay out of the rough. I don't care if you drive it 350 yards or 250 yards. When you get in this rough, you're only going to be able to go at the green one out of 10 times."

Until Pebble Beach, one of the subplots of every major champion-ship of recent years was whether it would be the one where Kite finally came through. The question continually put Kite on the spot, but

with the burden lifted, he is noticeably relaxed before this PGA.

"It's a wonderful, wonderful Championship in the throes of the tee as as the U.S. Open champion," indignity, as he missed the cut to kind of my opinion that everybody fail in his final opportunity to make the U.S. Ryder Cup team. the U.S. Ryder Cup team.

"I'm thinking of getting contacts so nobody knows me," joked the redheaded Texas. "Maybe a black

Although recent past champions of the U.S. Open, like Curtis Strange and Payne Stewart, have said they hindered their subsequent performances with self-imposed pressure to live up to the title. Kite has continued to play well.

In four events since winning at Pebble Beach, be had two sixthplace finishes, an 11th place, and he tied for 19th at the British Open.

The \$874,216 he has won this year puts him behind only Fred Couples and Davis Love 3d on the

British Open champ Nick Faldo of England, winner of five major titles in the last six seasons, has been made the 6-to 1 betting favorite in the PGA, with Couples ed States at 7,148 yards, (6,540 me next at 7-1 and Ray Floyd and Greg Norman at 9-1, The Associated Press reported from St. Louis.

"I tend to switch on more for the "The strength I'm counting on is important ones." Faldo said after a said practice round.

> There were two reasons, he said, that he was among the first of the field of 151 to arrive for the last of the year's Big Four events.

> First, there was the need to familiarize himself with a course he had not seen. Second, there was the need to acclimatize himself to the muggy heat common in August.

On the first count, he found the course to his liking after 27 holes of practice. And, the forecast calls for relatively mild temperatures for the



Nick Faldo of England is the betting favorite to add the PGA title to his British Open championship.

### Kenyan Stars Desert Team in London

NAIROBI — The Kenya Olympic team's home-coming turned into a disaster Wednesday after 11 athletes, five of them medalists, slipped away at Heathrow airport outside London.

The athletic team's coach, John Anzrah, said the 11 sneaked out of the airport a few minutes before their connecting flight left for Nairobi.

As a result, only three medalists, William Tanui, Samson Kitur and Paul Bitok, arrived here with the rest of the team, which had been invited to a luncheon with President Daniel arap Moi.

#### Rocket Kills U.S. Tourist

CASTELLDEFELS, Spain - A 21-year-old U.S. tourist has been decapitated and four friends injured when a rocket taken from a post-Olympics fireworks party exploded, the police have reported. The identified the victim as Yin Braley Weng. One of the injured, they said, was Wyatt Jones, a member of the U.S. canoeing squad. There was no word on his condition.

The youths had gone to set off the fireworks on Playa de Gava beach near Castelldefels, 13 kilometers (20 miles) from Barcelona, police said.

During the German invasion of Russia.

the Ukranian Nationalists were used as

Nightingale units killed thousands of Jews

and families suspected of aiding Red

Army partisans. After the war, Nightin-gale leaders were trained in the United

States and parachuted back into Ukraine

degree of Forrestal's knowledge of specific covert operations," the authors write, "but he vigorously supported the program" that had used Nazi collaborators.

And then they offer an interesting explanation of his suicide, at age 57: "Whether

this knowledge and its implications

weighed on his conscience after his break-

down is speculative, but on the last night of his life. Forrestal was copying a Greek poem. The Chorus from Ajax: he

stopped when he had written the first syllable of the word 'nightingale.' " "Driven Patriot" is more than the sto-

ry of a major civilian operative in Wash

ington in wartime and during the cold war. Hoopes and Brinkley also cover the

most exciting period of 20th-century his-tory through the personality of a dedicat-

Herbert Mitgang is on the staff of The New York Times.

ed, disturbed government servant.

There are no records to indicate the

for sabotage and espionage purposes.

The head of the delegation, Isaiah Kiplagat, refused to answer questions when the team arrived in the capital. But a furious Anzrah blamed foreign agents for confusing the Kenyans with offers of large sums of money. He said that most of those who slipped away in London were expected to take

part in an international meet Friday in Sheffield. Anzrah called the team's captain, Patrick Song unpatriotic. Sang, who won the silver medal in the 3,000-meter steeplechase, abandoned the national flag at Heathrow. Officials had to appoint Mike Oduor of the judo team as captain and flag carrier.

### Gold: Easy Come, Easy Go

BARCELONA -- Robert Zmelik of Czechoslovakia battled for two days to win the decathlon gold medal at the Games - then left it in a taxi,

ympic officials reported. Fortunately, the driver of the taxi, Modesto Remedios, spotted a stray bag on the back seat after the athlete, whom he did not recognize, got

out on Monday night.

He turned in the medal and Games officials traced its owner on Tuesday through the medal's

### Business, Not Pride or Honor, Spurs Olympic Movement Now

By William Drozdiak

Washington Past Service
BARCELONA — More than any other Olympics in history, these Games served as a glittering showcase for big business. Instead of praising parents or other inspirational role models behind their accomplishments, the athletes now regularly express gratitude and devotion to the corporate entities that pay them befry endorsements.

The emblems of Nike or Reebok are as prominent as the national flag on many uniforms. Companies rather than national Olympic committees dictate the public appear ances of athletes. The entire 900member delegation of the former Soviet Union, attending the Games for the last time as the Unified Team, was underwritten by a \$3.5 million grant from Smirnoff and

They made it possible for us to bere, said Alexander Kozlovsky, vice president of the Rus-sian Olympic Committee. Once viewed as a grim contest

between rival political systems, the Olympics began turning into a global commercial fair with the 1984 Games in Los Angeles. In-stead of resorting to public funding the Games were entirely financed by the private sector and turned a handsome profit of \$230

"The world is changing and we have to adapt to it," said Juan Antonio Samuranch, the monarchical president of the International Olympic Committee. "The Games might have come to an end if we did not bring commercial sponsors into the Games because cities and countries no longer can afford to stage them alone. The taxpayers will not stand for it."

The collapse of communism in the Soviet Union and Eastern Europe over the past three years re-moved the dichotomy of Cold War conflict from Olympic competi-tion. In these Games, the Soviet athletes said they had been motivated to perform well chiefly by the need to attract corporate support in order to sustain their future athletic

For big business, marketing at the Olympics has become fierce
Competition. With more than a billion people watching the Games,

Nike has grown into a \$3.5 billion-a-year business. More than two-thirds of its annual revenue

the prestige and skills of the world's cally. finest athletes.

Country affiliation has dimmed. The ultimate high-stakes battle in these Games pitted Nike against Reebok. Nike commands the loyalties — for a generous stipend — of six members of the U.S. basketball team. For that reason, Michael Jordan and Charles Barkley, two of Nike's most highly compensated endorsers, adamantly refused to be seen in the U.S. team's Reebok-

Chelimo was awarded the 10,000 meters gold medal, then had it taken away — the news conference was set up by Nike. not the IOC or the

After Richard

designed warmup suits at the medals ceremony. They were allowed to cover the Reebok logo.

Kenyan delegation.

"In 1984, we had triple the num-ber of athletes today," said Steve Miller, Nike's director of sports marketing, "But now you just can't afford to have them all. So we are trying to get the athletes who are best in their events who also have the best impact for us in the global market

When Mike Powell's hamstring troubled him before the long-jump compension, he missed a morning news conference called by Nike so he could get treatment. No prob-lem. A call to gold-medal-winning triple jumper Mike Conley, who won his event the night before, quickly produced a substitute. Asked bow he felt about appear-

ing on such short notice. Conley said. "When they call, I go." Nike has grown into a \$3.5 bil-

the most desirable marketing goal comes from sales in the United for many companies was to see States, but in the future the foreign their brand name associated with sector is expected to grow dramati-

> Thinking ahead, Nike is now feverishly competing to recruit the allegiance of top athletes in growing markets. It issued an occasional newsletter, titled Swoosh, on its Olympic committee, aside from the USOC, did. It issued a slick magazine, named Barcelona '92, feature

ing its athletes.
In Africa, Nike has signed up the
Kenyan runners Richard Cheling. William Mutwol and Yobes On dieki. Noureddine Morceli, the Algerian 1,500-meter champion, 53 considered a key wedge into 8 youth-oriented North African man,

After Chelimo linished second in the men's 10,000, then was award ed the gold medal on a judge's ruling of interference, then had that decision reversed, he met reportera set up by Nike, not the IOC or the Kenyan delegation.

For Eastern Europe and the Commonwealth of Independent States, Nike has invested a huge sum in Sergei Bubka, the Ukrainian world-record holder in the pole, vault whose failure to win a medal. in the Olympics could diminish his marketing appeal.

Nike is also looking toward China, whose 1.2 billion people may represent the biggest untapped market for high-class sporting. goods in the world. Tong Li, the, 110 hurdles star, has endorsed Nike, and other top Chinese athletes may soon follow.

Recbok has countered Nike's push by signing up the U.S. Olym-pic team's basketball coach, Chuck' Daly, the U.S. runner Suzy Hamilton and German tennis star Mi-

Reebok's biggest promotional tie-in was sidetracked when Dan O'Brien — of the once ubiquitous Dan and Dave commercials in the United States — failed to qualify for the U.S. decathlon team.

And, as corporate officials acknowledge, the endorsements of gold-medal winners are no guarantee for commercial success. "It's always a gamble because you never know what will click," said Miller.

### **BOOKS**

#### DRIVEN PATRIOT: The Life charm, success and strength, but who and Times of James Forrestal

By Townsend Hoopes and Douglas

Brinkley. Illustrated. 587 pages. \$30.

Alfred A. Knopf Inc., 201 East 50th Street, New York, New York 10022. Reviewed by Herbert Mitgang

TAMES FORRESTAL is recalled to-J day, if at all, as the first secretary of defense and as a tough Cold Warrior who committed suicide in 1949. The rest of the story of his life and times can be found in "Driven Patriot," a solid and sympathetic portrait of an individual who, all told, was more Gatsby than Strangelove.
To their credit, Townsend Hoopes, a

member of Forrestal's staff, one-time undersecretary of the air force and author "The Limits of Intervention," and Douglas Brinkley, an assistant professor of history at Hofstra University and the author of "Dean Acheson: The Cold War Years," interpret but do not cosmeticize Forrestal's troubled life.

"Like a character in a Theodore Dreiser tragedy, or the hero of F. Scott Fitz-gerald's 'Great Gatsby,' "they write, "he seemed permanently uncertain of place: the Wall Street conservative who was uncomfortable with liberals in Washington, but who was more liberal than his Wall Street associates; the Irish mick who had thought that Princeton and Wall Street spelled the ultimate in grace.

came to a later awareness of the shallower aspects of the American Dream while continuing to seek diversion (as one friend said) in 'the company of men who never ceased to see the Racquet Club as a social nirvana."

went from Wall Street to Washington to bring their organizational skills to the war effort. Power rather than money was their motive. But unlike those who had joined President Roosevelt to help pull the country out of the Depression and to work in New Deal agencies for idealistic reasons, Forrestal was driven by a different set of demons: the need to break away from his poor background, to marry into society, to become a member of the Princeton and Protestant club, to be privileged.

After the war, the authors write, Forrestal became "the godfather of the na-tional security state." He had the vision to deal with the components of interna-tional problems — their political, military, economic and scientific elements as parts of a related whole. But as a ripal Cold Warrior in Washington, he become not just a driven patriot but a

The authors surmise that Forrestal's near-paranoia about a possible Soviet artack against the United States, combined with his long hours of work, contributed to his depression and mental illness.

One black mark on Forrestal's record involved the recruitment of the Organiza-

operation with the code name Nightin-gale, The Nightingale recruits were mem-bers of a political-military underground movement, fascistic in character and violently anti-Russian and anti-Semitic.

Forrestal was among the wealthy and

driven superpatriot as well.

**BRIDGE** tion of Ukrainian Nationalists in a secret By Alan Truscott

> HE diagramed deal, played at the 1. Hillcrest in April, was reported by John Schilfeler of San Francisco, who sat East. He and his partner, Dr. Alex Rog-er, accurately bid to five hearts, which would have provided them with a vulnerable game. But Burns as South accurately saved in six diamonds, correctly judging that he could defeat six hearts but not five. His partner, Jim Solton, had helped him make this decision by bidding three diamonds with a virtual Yarborough, a good move with a save in mind.

Six diamonds doubled was the par result on the deal. The opening heart lead was ruffed and the diamond ace was cashed. Burns had mixed (eelings when the king did not fall: if it had done so he would have saved a trick, but his save would have then been a phantom. He surrendered a trick to the trump king, ruffed the heart return and crossed to the diamond ten. He then led toward the club king, and East's two black aces meant a two-trick defeat. But 300 was a small price to pay to deprive East-West of a vulnerable game.

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EAST WEST ♠ A 6 ? A Q 10 7 6 2 TK8543 ♣ A @ 7 € å

SOUTH

East and West were vulnerable The bidding: West Pass

#### **PEANUTS**

PARDON ME\_DO YOU KNOW WHERE THE COURTHOUSE IS?

I'M JUST A LITTLE KID! I DON'T KNOW WHERE ANYTHING 15!

HOW SHOULD I KNOW?







### **BEETLE BAILEY**





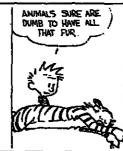


### **CALVIN AND HOBBES**



WIZARD of ID

HERE IS A NICE PLUMP CHICKEN



You

gall that





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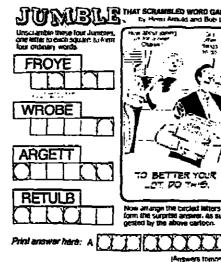












### BLONDIE



#### REX MORGAN HOW DO WE





BY YOUR

STANDARDS



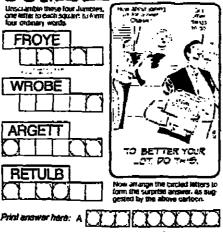


### DENNIS THE MENACE



IN THEIR BIRDBOY

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# SPORTS BASEBAL



Manager Johnny Oates got the heave-ho from plate unspire Drew Coble in the seventh inning, but his Orioles got a 3-0 victory.

# Orioles Answer Jays With Shutout

By Mark Maske Vashington Post Service

TORONTO - The Baltimore Orioles, who almost always have had the answers when times have been the toughest this season, came up with the reply they needed for the Toronto Blue Jays.

An evening after the Blue Jays purumeled their best pitcher, the Orioles regrouped to beat Toronto's ace when a three-run fourth inning of Jack Morris was all Baltimore needed to secure a 3-0 victory that evened this showdown series at one triumph apiece. It was the Orioles' first victory in

five games this year in the Sky-Dome, and moved them back to within two games of the Blue Jays in the American League East with two still to play in this series. "The second game in a series like

this is always more important for the team that loses the first one," said the Orioles' manager. Johnny

The normally reserved Oates was jected for the first time this season during a seventh-inning argument with plate umpire Drew Coble. But three Baltimore pitchers kept matters at least relatively calm for the remainder of the evening, posting

the team's American League-leading 11th shutout.

Alan Mills won for the first time as a starter in the major leagues. shutting down Toronto on four hits over the first five innings.

Mills improved his record to 8-2 and his earned run average to 1.83. Todd Frohwirth followed with three

#### AMERICAN LEAGUE

innings of two-hit, four-strikeout handiwork, and Gregg Olson worked the ninth for his 27th save. The Blue Jays got their first two hitters abourd in the bottom of the

ninth against Olson, who usually has not fared well here. But that rally, like the rest of Toronto's offensive efforts this game, fizzled. Morris, who fell to 14-5, vielded

only six hits while striking out eight over seven innings. The Orioles managed only eight hits for the game, four by Joe Orsulak, but Morris belped out with two walks duting the fourth inning, one of which came with the bases loaded.

Bill Ripken's RBI single was followed by the bases-loaded walk to Mark Parent, then Brady Anderson's sacrifice fly.

Morris, who had beaten the Orioles Texas and put Minnesota just two twice in two previous starts this season. "I just didn't pitch as well

as the other guys."

Tempers flared in the top of the seventh after Coble — who has a starter Nolan Ryan allowed two long history of ran-ins with the runs on five hits and four walks in Orioles — called Cal Ripken out on a 3-2 pitch from Morris that seemed low. Ripken furned, then furned some more after returning to the dugout.

Oates emerged twice, and was ejected by Coble the second time. with television replays showing that both sides had some choice words to say along the way. ■ In other games, The Associated

Press reported:
White Sox 10, Athletics 6: In Oakland, a two-run single by Dale Sveum, acquired Monday from Philadelphia, broke a tie in the cighth and Transparents. eighth and Tim Raines' two-run triple during a six-run inning gave Chicago its victory.

Chicago's Lance Johnson ex-tended the major's longest hitting streak since 1990 to 25 games as the White Sox battered five Oakland pitchers for 14 hits.

Twins 3, Rangers 2: Chuck Knob-

games behind Oakland in the West. John Smiley pitched a four-hit-

six innings with seven strikeouts.

Tigers 5, Yankees 1: Two-run homers by Lon Whitaker and rookie Rico Brogna in Detroit helped Frank Tanana get his 230th major league victory and dropped New York into a tie with Cleveland for

last in the East. Indians 3, Red Sox 1: Glenallen Hill's RB1 double and Albert Belle's sperifice fly in the first was enough for Cleveland to beat visit-

ing Boston Angels L Brewers 6: Rob Ducey drew a bases-loaded walk on four straight pitches from reliever Mike Fetters in the 10th to get California past visiting Milwaukee. Chuck Finley pitched nine scoreless innings — helped by catcher Ron Tingley, who threw out four run-ners trying to steal second base. Royals 9, Mariners 6: Wally

Joyner hit a three-run homer in Twins 3, Rangers 2: Chuck Knob-lauch singled over the head of right fielder Ruben Sierra with two outs

City's six-run fourth.

#### SIDELINES

1-11-76

### Johnson: 'Healthier and Stronger'

NEW YORK (AP) — Magic Johnson, further fueling speculation he will return to play for the Los Angeles Lakers next season, says he is "healthier and stronger" because of his year out of the National Basketball Association.

"During an NBA season, when you might play all the way to June, your body doesn't have a chance to recover," Johnson told Sports Illustrated in a wide-ranging interview released Tuesday. "But this year I obviously didn't have to deal with that. And I started on a serious weight training program, and I feel anywhere from 70 to 100 percent better.

 Orlando Magic forward Brian Williams remained hospitalized Wednesday for observation after collapsing in a Los Angeles Summer League basketball game. The hospital said it would not comment because Williams's family had asked that no information be released.

### Father of the Angels' Wathan Dies

CEDAR RAPIDS, Iowa (AP) - Jim Wathan, 80, the father of the California Angels' interim manager, John Wathan, died Tuesday night

after suffering a brain hemorrhage.

John Wathan has been the Angels' interim manager since the May 21 bus crash in which the manager, Buck Rodgers, was injured. Rodgers, who still walks with a cane, won't return until Ang. 28; until Wathan returns, the team will be rum by pitching coach Marcel Lachemann. • The effort to keep the Giants in San Francisco suffered a setback

Tuesday when H. Irving Grousbeck, considered a potential major investor in an attempt to purchase the team, said he was no longer interested. Earlier, a number of trade unions in the city, including the Plumbing and Pipe Fitting Industry Local 38, agreed to lend up to \$200 million from pension funds to finance a downtown stadium. (NYT)

• Major league haseball's ownership committee, in a telephone confer-

ence call, and recommended approval of Thomas Monaghan's proposed sale of the Detroit Tigers to Mike Ilitch.

### For the Record

The Reverend T.J. Jemison, head of the largest black religious denomination in the United States, pleaded innocent Wednesday to federal charges that he hed when he told a jury he didn't try to buy the silence of the victim in Mike Tyson's rape trial. U.S. Magistrate Pamela Tynes set an Oct. 5 trial date in Lalayette, Louisiana, and allowed Jemison to

remain free on a \$100,000 unsecured appearance bond.

(AP)

The Valhalla Golf Chub in Louisville, Kentucky, will be the site of the 1996 PGA Championship, it was announced Wednesday.

(Reuters) Emile Griffith, the five-time welter and middleweight champion, remained hospitalized Tuesday with serious kidney damage. Gil Clancy, who managed Griffith during his 19-year professional career, said the Hall of Fame boxer was close to death last week.

(AP)

Greg LeMond withdrew Wednesday from the Tour of Britain cycling

# Redskins in London

pounds (105 kilograms) of unex-pected cargo — quarterback Mark Instead, they settled

on a day off.

Coach Joe Gibbs said he plans to practice Thursday and Friday. The San Francisco 49ers, their opponents in Sunday's exhibition in Hyde Park after arriving about the same time as the Redskins.

Washington Post reported: Rypien and the Redskins agreed to a three-year, \$9-million contract that could make him the National Football League's second-highest

the flight for London.

Both he and Gibbs said they expect Rypien to play Sunday. "It won't take Rip as long to get into the groove," said Gibbs, "be-

cause he went to summer school." If Rypien matches his 1991 numbers, he'll earn about \$3.6 million this season because of a lucrative incentives package. But in getting the package he sought, the Redskins got an option for a fourth season that, like the first three, will pay him a \$3 million base salary.

The Associated Press of the final sticking points, with the LONDON — The Super Bowl champion Washington Redskins deal and Rypien three in case NFL arrived Wednesday with 230 players win their free agency suit

Instead, they settled for a three-year deal with the \$3 million team Rypien. year use year use option for 1995. If Rypien's salary is obsolete by then, the Redskins about 9 A.M., with many players is obsolete by then, the Redskins going right to sleep after a long will tear up the contract and nego-flight and others going sightseeing tiate a new deal to keep Rypien in Washington. But since he would technically be signed for 1995, the team would have some leverage in

The Redskins originally had ofgame, wasted no time getting accis-mated. They held a brief workout about \$250,000, but that was increased Monday. Both sides agreed to a confidentiality clause, so exact figures can not be determined.

Earlier, Richard Justice of The But the incentives are believed to include an additional \$10,000 for every victory he starts; \$100,000 for leading the NFL in quarterback rating, with increments down to base salary now trails only the Minimum million contract after a 10-day NL lead, and his 24 homers trail boldout. He got an extra \$250,000 teammate McGriff's by only two.

He has similar bonuses for touchdown passes, interception percentage and average yards per pass. He'll be paid for only one of those areas — the highest rated — the Redskins have ever given a

Rypien would also earn \$125,000 being the starter in a Super Bowl victory and another \$100,000 \$1.25 million 1991 base salary. for being the Super Bowl's most valuable player.

Length of contract had been one paid quarterback last season, but in Rypien accepted a one-year, \$1.25



The Mets' Charlie O'Brian and Eddie Murray collaborated on cutting the Pirates' NL East lead to 2½ games over the Expos.

Rypien, ending his holdout after for leading the NFC in quarterback 23 days, rejoined the Redskins on Tuesday night when they boarded 535,000 for fifth place.

"It's a relief," Rypien said. "The farther things went, I think I would have been the one suffering."

It is easily the largest contract in the first year of the contract.

After that, he'll earn bonus in all the categories.

Diayer, surpassing the five-year, \$6 million pact that free agent line-backer Wilber Marshall got in 1988. Rypien broke another team record by more than doubling his

When, as in the previous the two sides were unable in 1991 He was the NFL's 14th-highest to reach a long-term agreement,

\$30,000 for 10th place, and \$60,000 makes about \$4.4 million. He'll in incentives and, in turning down the three-year offer that was still on the table, gambled that he would said. He has at least two hits in each play well and force the club to dramatically increase his pay.

He did just that, throwing 28 touchdown passes and leading the Redskins to Super Bowl XXVI, where he was voted the MVP. The Redskins have won 22 of the last 26 games he has started, and last season he didn't throw one interception in his team's end of the field.

Rypien's signing left the Red-skins with three holdouts: tackle Jim Lachey and a fellow Pro Bowl player, cornerback Darrell Green, and the top draft choice, wide receiver Desmond Howard.

### Sheffield Moves Up **And So Do Padres**

The San Diego Padres are fighting for first place in the National League West with the help of a guy who may be on his way to winning a Triple Crown.

Fred McGriff, Gary Sheffield and Darrin Jackson each hit tworun homers off John Smoltz in the first three innings as the Padres beat the Braves, 8-4, Tuesday night in Atlanta.

San Diego's season-high sixth straight victory put it within 5½ games of first-place Atlanta, and Sheffield ran his hitting streak to eight games and rose in several offensive categories by going 3 for 5.

John Kruk of Philadelphia lost

the NL batting lead when he went hitless in three at-bats. He trails Sheffield by less than one percentage point, 3373 to 3368. Sheffield has 79 RBIs, tied with the Phillies' Darren Daulton for the

NL lead, and his 24 homers trail "I've got a game plan and that's

of his last seven games. Bruce Hurst won his fourth decision in a row for the Padres, allowing four hits and two runs, striking out four and walking one in six innings. He was replaced after a

rain delay of 70 minutes.

Mike Maddux pitched the final three innings for his fifth save, but not without a scare. Maddux made a three-base throwing error on Mark Lemke's comebacker in the ninth, allowing two runs to score. McGriff hit his 26th homer over the right field fence on a 3-0 pitch in the first inning off Smoltz, scor-

ing Tony Gwynn, who had singled. Sheffield's third-inning homer af-ter Tony Fernandez doubled was his fifth in seven games.

Dodgers 8, Reds 4: In Cincin-nati, rookie Eric Karros drove in a season-high four runs with two doubles as Los Angeles won. Bob Ojeda got a four-run cushion in the first when Karros hit a

#### NATIONAL LEAGUE

bases-loaded double off Tim Belcher to score three runs and Dave Hansen doubled in a run.

Cincinnati has lost five of its last Mets 2, Pirates 0: Eric Hillman. in his first major league start,

pitched eight strong innings to outduel Doug Drabek in New York and end Pittsburgh's 11-game winning streak. The Pirates' lead over Montreal in the NL East was cut to

Drabek's only trouble came in King's two-out error. Daryl Boston singled on the next pitch, and Eddie Murray and Mackey Sasser followed with first-pitch RBI singles. Expos 3, Cubs 2: Delino De-Shields' RBI single with two out in

the 17th in Chicago gave Montreal its sixth victory in seven games. The Cubs' Mark Grace homered to tie the score in the ninth.

Astros 6, Giants 3: Eric Anthony, Eddie Taubensee and Luis Gonzalez each hit home runs as Houston won in San Francisco.

nozzi's RBI double with two out in the ninth gave St. Louis a victory in Philadelphia.

y athletic director and Exone Kebbe as ite athletic director.

istant football coaches. CONNECTICUT—Named Paul Pearl

CREIGHTON—Named Elvis Dominaus

FAIRFIELD—Elleen Quirk,

coordinator.

MARIST—Named Kevin Daher sive coordinator, Gary Daherty dete coach, Ken Harrisan men's tennis ( Saily Jahnston women's volleybat NORTHERN ARIZONA—Nam

### SCOREBOARD

race after complaining of tiredness.

# BASEBALL Major League Standings **Fuesday's Line Scores**

Perez and Stanley; Tanana, Kleiy (8), Hen-terman (9) and Kreuter, W—Tanana, 10-7, L— Perez, 9-12, HSa—New York, Velande (5): De-troit, Whitaker (13), Brosno (1). Baltimore 600 380 600—3 1 Toronto 600 800 601—6 9 Alilis, Frolwirth (6), Olson (9) and Parent; Marris, Elithern (8), and Barriser, W—AMIS. Texas 145. 34-05son (27).
Texas 229 66 66-2 4 8 Mirresoth 919 69 60-2 8 2 Ryon, Nunez (7), 100 gors (9), Je.Russell (9) and Rodriguez; Smiley and Horper, W-Sraliey, 12-4, L-Rogers, 1-5, MR-Minnesoto, 14-bek (12). Morris, Eichhorn (8) and Borders, W—Mills, 9-2. L—Morris, 14-5. Sv—Olson (27). California 008 888 889 1—1 8 0
Navorro, Feiters (18) and Surhoff; Finley,
Grahe (18) and Tinyley, W—Grahe, 4-3, L—
Novorro, 12-8.
Chicaye 280 118 649—18 14 8
Osiciond 811 889 381— 5 7 8
McCoskill, Alvarez (7), Hernondez (7),
Thigoen (9), Rodinsky (9) and Karkovice;
Downs, Horsman (5), Corsi (7), Honsycuit (6),
Perrett (8) and Steinbotch, W—Hernondez, 52, L—Hong-ycuit, 1-3, Su—Radinsky (19),
HRs—Chicayo, Thanes (20), G,841 (17),
Komsas Chy 922 689 819—9 13 8
Seathle 118 918 823—4 12 8
Pichardo, Gordon (6), Monfaornery (9) and
Mochertone; Honson, Woodson (4), Powell (8)
and Valle, W—Pichardo, 6-4, L—Honson, 3-15. MATIONAL LEAGUE HATIONAL LEAGUE
HOUSSON BT 812 499—6 12 I
Ses Frencisco 860 863 866—3 7 I
Williams: Hernondez (7), Jones (8) and
Touberson Serveis (8); Oliveros, Pena (6), Jeckson (6), Richetti (8), Bronilev (6) and
Manuscrins, W—Williams, 43, L—Oliveros, 61, 5v—Jones (24), HRs—Houston, Touberson
(41, Gonzalez (7), Anthony (14), Sen Francis-

(17 innings) HIII, Wetteland (?), Rolas (11), Fassero (13),

linger (13), J.D.Robinson (17) and Writkins.

W-Samper. 1-4, L.—J.D.Robinson, 2-2, HR—
Chiczno, Grace (7).

Pitisburgh 98 805 808—8 6 2

New York 92 805 808—2 7 8

Drabek and Slought; Hillman, Franco (9)
and O'Brien, Hundley (9), W-Hillman, 1-4, L.—
Drabek, 9-9, Sv—Franco (13).

Los Angeles 488 908 908—8 15 9

Clacionali 918 903 909—4 6 8

Oledo, Ki.Gross (6), Howell (8) and Scioscia; Beicher, Fosier (4), D.Henry (5) and Oliver. W-Oledo, 4-5, L.—Beicher, 9-1), HR—Los

Angeles, Webster (4).

San Diego 296 918 199—8 12 1

Aftente 181 809 92—4 8 8

Hurst, M.Moddux (7) and Santiago; Smottz, Scioline (4), M.Davik (6), Mercher (8), Stenton (9) and Olson, W—Hurst, 12-4, L.—Smottz, 14-7, Sv—A.Moddux (5), HRS—Son Diego, Sheffield (24), McGriff (26), Jackson (14), St. Louts 20 903 917—7 15 9

Philadelphia 23 199 99—4 8 1

DeLeon, Corpenter (4), Perez (6), Worrell (8), Le,Smith (9) and Passnozz; Multholland, Hartley (6), Mitch Williams, 3-5, Sv—Le,Smith (27), HR—Philadelphia, Hotiles (15),

(Through Tuesdoy)

AMERICAN LEAGUE

G AB R H Pct.

E.Martinet Sea 100 489 77 140 333

Pocketi Min 111 451 79 148 328

Mock Min 110 457 72 162 325

Thomas Chi 110 394 73 128 325

Horper Min 99 399 45 114 318

Baarga Cie 113 454 64 144 317

Potenia Cei 110 477 69 122 317

Molitar Mil 109 414 63 131 316

Jefferies KC 197 433 56 135 372

RUNS—Philliss Defroit 62; Puckett, Minnesoto, 79; EMarthnez, Seottle, 77; Knobnesota, 79; E.Martínez, Seaftle, 77; Knob-izuch, Minnesota, 76; Thomas, Chicago, 73;

RUNS—De.Shleids, Montreal, 74; Gwynn, San Diego. 71; Hollins, Phikadelphia, 70; Ste-eta, Houston, 70; Grissom, Montreal, 68; Bands, Pilisburgh, 68; Botler, Los Angeles, 66, RBI—Sheffield, San Diego, 79; Daulton,

Japanese Baseball W L T Pct.
49 37 9 570
50 42 0 542
45 42 0 517
47 44 1 514
39 52 1 429
38 51 0 427 YokuH 9, Chunichi 1

American League
AL—Suspended Todd Stattlemen
plicher, for 5 games for making countries Jim Joyce and shouting of ombre Jim Joyce and subtring cases during Aug. 5 game. DETROIT—Recalled and activated King, plicher, from injury rehabilitati Toledo, International League, Optioned Bud-dy Groom, plicher, to Toledo, Mattand League
PHILADELPHIA—Traded Sleve Scor-one, infleider, to Baltimars for Juan Bell,

National Basiketbati Association
L.A. LAXE RS—Signed Alex Blockwell, for FOOTBALL.

COLLEGE ARIZONA STATE—Suspended Gredy Ben-ton, quarterback, and Derrick Land, wide re-ceiver, for 1 game after pécadins no contest to fraudulent use of credit card.

BELMONT ABBEY—Named Michael

PHILADELPHIA-Signed Otis Smith, de-HOCKEY

Notional Hockey Leopue
BOSTON—Signed Serbel Zholfok, forward,
and Dove Poulin, canter.
CHICAGO—Traded Stephane Beoureagord,
socile, to Winnipes for Christian Rustru, center, and future considerations.
EDMONTON—Signed Crois Simpton, center, to 1-year contract.
HARTFORD—Signed Randy Cunneyworth, loft wing, Paul Gillis, center, and
McCortiny assistant coach.
ANINNESOTA—Acquired Coilin Bauer, detenseman, from Edmonton for future considarations. Named Rick Wilson assistant coach.
NEW JERSEY—Named Dove Forrish as-

NEW JERSEY—Named Dove Ferrish as-sistant coach. Reassigned Rabble Floret, as-sistant coach, as coach of Utica, American Hockey League. N.Y. RANGERS—Signed Jan Erizon, Inti

OTTAWA—Signed Peter Sidorklewicz, gootle, Mike Peluso, left wing, Jim Thomson, right wing, and Dominic Lovale, defensemen. PROVIDENCE—Named Mark Kumpet have continued continued. player-assistant coach.
SAN JOSE—Staned Jeff Hackett, goottender.
WINNI PEG—Staned Alan Kerr, right wing,

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### **ART BUCHWALD** The Restroom Gap

Globe thinks, this is not a regional they can go to a restroom any time

Happily there Martha's Vine-

vard. The island has plenty of public restrooms — the only difficulty is that none of them is ever

How many of Buchwald us have made a dash for the restroom in Vineyard Haven only to **BUILDING IN NANTUCKET**?

MAINLAND." The public restroom issue on the Vineyard is one that politicians prefer not to deal with because it is too complicated. If you have 10 000 year-round residents, most of whom have bathrooms in their homes, and 60,000 summertime visitors, who in this situation are dependent on the kindness of strangers, no one knows how many public facilities should be made

From my experience the United States needs more than it has at the

### Hockney Does an EC Stamp

The Associated Press LONDON — David Hockney, the British artist, has painted a yellow star on a blue background for a British postage stamp to mark the start of the European Community's single market on Jan. 1. The stamp hows 12 stars for the 12 member states on a blue field. The 24-pence

ARTHA'S VINEYARD. On Martha's Vineyard almost article on the front page of the Boston Globe addresses itself as Boston Globe addresses itself to has a large sign in the window that the shortage of public restrooms in Says in no uncertain terms, "THIS New England. In spite of what the IS NOT A PUBLIC REST-ROOM." A parent solves the probproblem. There is a shortage every- lem by going into the restaurant where. It is exacerbated by tourists and purchasing a four-course meal and vacationers who think that for each member of the family so

> if you have more than one child and they don't need to go at the same time, you have to stop in an hour later and order six pizzas before the child can go to the back of the restaurant. All this stopping and starting can add a lot of weight to the family members.

> Over the years I have learned the ropes on Martha's Vineyard when searching out a restroom. The secret is that if you make a large enough purchase from a store, the owner will let you use his john.

Once I bought a giant refrigerafind a sign tacked onto the door.

THIS FACILITY IS CLOSED—
tor and was permitted on a onetime-only basis to take advantage time-only basis to take advantage THE NEAREST OPEN REST- of the plumbing facilities. Another ROOM IS LOCATED NEXT TO time I purchased a television set THE STEAMSHIP AUTHORITY and a VCR and I was given 60 seconds in the restroom. I guess my Or "THIS STATION IS OUT biggest triumph came when a gaso-line station gave me the key to the padlocked door after I bought four new automobile tires.

> My theory on this shortage of restrooms is that very few elected officials in the U. S. have any idea how the human body works. They assume that people are so well control of all their bodily fluids.

> It has become an ideological battle between those who insist that the private sector must provide restrooms and those who say that it is the local government's responsibil-

One way to supply the needed mental Protection Agency build them. They might not be preserving the land, but they would be doing something more important — they would be saving people's kidneys. Anything would be better than

what we have now. Just yesterday I dashed up to a public restroom and found the following sign taped to the door, "ANY PERSON USING THIS MEN'S ROOM BETWEEN THE (46-cent) stamp will go on sale Oct. NIGHT WILL BE TOWED

## Joseph Mitchell's Wonderful Saloon

By David Streitfeld

TEW YORK -The New Yorker is, or N at least has been, an institution quite unlike any other, a place proud of its quirks and subtleties. Writers are identified at the end of their articles, not the beginning. And unlike other publications, at The New Yorker they won't throw you out of your cubicle no matter how irregularly you produce.

The last time Joseph Mitchell's byline appeared in the magazine, Lyndon Johnson was president. Mitchell was 56 then. Twenty-eight years later, he still looks 56. He still comes in most days, working on a project that various circumstances have conspired to prevent him from finishing.

For decades Mitchell refused to allow reissues of any of his legendary five books. Now, just as his New Yorker is undergoing a startling transformation, the moment feels right to let go of his past by presenting it to the world once more. "Up in the Old Hotel" is a fat collection of all the work he wishes to preserve. Most of the 37 pieces that appear in "Up in the Old Hotel" were included in four long-out-ofprint books: "McSorley's Wonderful Sa-ioon" (1943), "Old Mr. Flood" (1948). "The Bottom of the Harbor" (1960) and

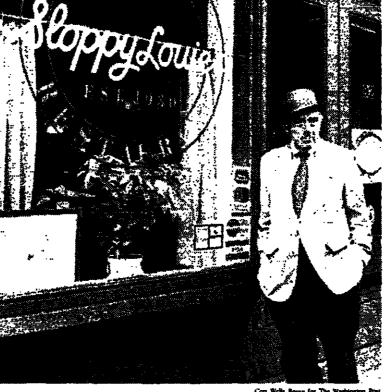
"Joe Gould's Secret" (1965).
"In recent times," Mitchell says in his North Carolina drawl, "I've had the feeling that this damn stuff is an albatross. Let me put it all in one book and I'm free." Today, though, he feels anything but liberated. As rain flows down relentlessly and a summer chill seeps through the window, he wonders if the world still has a place for him: "I go down to the fish market, I walk around and see they're all going - those wonderful old firms, the cafes, the oldtimers. I have the feeling of having lived into another time. I feel like a ghost."

The New Yorker too has been accused of having outlived its era. Change has arrived in the person of the new editor. Tina Brown, and vast personnel shifts. Everything's in flux. The city that he knows so well is becoming less accommodating, maybe even turning as spectral as himself. Sometimes when Mitchell looks

at a building, he won't see the present-day

fast-food joint but the speakeasy it re-placed. "The past is obliterated," he says, but somehow it's still there." "Life's a goddamn mess," the writer says in his grimly cheerful way. "but you wouldn't want to miss it."

A. J. Liebling was fond of saying he could write better than anyone who wrote faster and faster than anyone who wrote hetter. Mitchell was never too concerned with speed and he wasn't interested in matching his friend's desire to cover everything from World War II to prizelights.



Joseph Mitchell at Sloppy Louie's: "Let me put it all in one book and I'm free."

Mitchell just wrote better than anyone. "In the opinion of many," wrote Brendan Gill in his history of the magazine, he was the finest writer on The New Yorker." During the late '30s and '40s he created a new kind of magazine feature, one that took the energy and initiative of journal-ism and hitched it to larger literary goals. It happened by accident, helped along by

the magazine's generosity and patience. "I assigned myself most of these stories."
Mitchell recalls. "Every one of them, in fact.
In the old days at The New Yorker, you'd go to the editor and ask. "May I reserve this subject? And Mr. Ross would say, "O. K., go ahead." He meant the late Harold Ross, legendary editor of the magazine.

The topics Mitchell reserved were rather particular. His subjects tended to come from the fringes of life. They were lost souls, gypsies, drunks, sideshow performers, street preachers and general-issue fanatics, portrayed without condescension. Many of these folks were raffish, a disused word that connotes both disreputability and a certain charm. These days, hardly anyone is raffish: a drinker is now just a budding alcoholic and saloons aren't seen as fit subjects of celebration.

Mitchell, though, liked a rousing good time. In his 1939 article "Obituary of a Gin Mill," he complained that a favorite watering hole, Dick's Bar and Grill, had gone upscale: "In the old days Dick was

an independent man. He was delighted when he got an opportunity to tell a cus-tomer to go to hell. . . . When Dick started abiding by the liquor laws, however, a hunted look appeared on his fat, sad-eyed, Neapolitan face. He began to cringe and bow and shake hands with the customers, and he would even help them on with their coats. When they linished eating, he would go over, smile with effort, and ask, "Was the pot roast O.K.? In the old days he never acted that way. If someone complained about a gristly steak or a baked potato raw in the middle, he would grunt and say, 'If you don't like my grub, you

never saw you again."
The piece mentions nostalgically "those lovely, irretrievable nights [when] a kind of mass bysteria would sweep through the establishment," like the time when two men got in a light over which had more nourishment: buttermilk or beer. Mitchell clearly despises the new Dick and his new.

dried-up establishment, but beyond this the piece has no point to make in the traditional sense of journalism. If it did. no one would be interested in reading it after a half-century.

What Mitchell was after was something else entirely: literature. In his book "Literary Journalism in the Twentieth Century. Norman Sims argues that Mitchell along with Liebling and a few other New Yorker colleagues like John Hersey and Lillian Ross, "pioneered the styles" that would go on to create such an uproar in the '60s as the "New Journalism."

By "merging fiction and nonfiction, the symbolic and the literal, biography and reportage, the real and the imagined landscapes of the city." Sims concluded, Mitchell especially was doing something unprecedented.

Yet he's never gotten proper credit. Tom Wolfe, the chief promoter and practitioner of the New Journalism, went as far as to state in an influential essay that as recently as 1960 "there was no such thing as a literary journalist working for popular magazines or newspapers."

Mitchell says such assertions don't matter much to him. "I didn't want to be part of anything except my own work. I didn't want to be linked with any school. I didn't want to be called a "creative journalist."

The people Mitchell most liked writing about had lavish gifts of gab. Usually they were older, with lots of years to remember and lots of spare time to remember them in. And now he is older, too, and has the spare time. Mitchell has been working on a semi-autobiographical project for a long, long time. He's not happy yet, doesn't think he's found the proper way to tell his stories. He'll take his time, more of it,

What might have sapped the will a bit was the ongoing disappearance of his New Yorkers, coupled with an inability to trust the voices of those who were left. "There's no authenticity anymore, and no original humor," he says. "You've heard it some place, read it some goddamn place." The ersatz, the plastic and the false run ram-

But he doesn't let this bother him anymore than he has to: "In a saloon I used to go to, there was a waiter named Hector," Mitchell says. "He was in the war -World War I, I guess. He said they shot his head off and sewed another one on. The trouble was it was the head of a much younger man, and it was always getting him into adventures."

The point, the writer figures, is that physical age isn't the same as mental age.
"Sometimes I feel a hundred-and-eightyfour, but usually I feel like I'm in my

### PEOPLE

Hot 'Kennedy Book' Has Lost Its Publisher

After having promoted a mystery book, widely rumored to be about Senator Edward M. Keanedy, in its fall catalog. G. P. Putnam. is not going ahead with the "explosive volume. Putnam still will not confirm that it is about Kennedy., but several other publishers say they have been offered a look at the book, written by Richard E. Burke, a former senior Kennedy aide who left the senator's employ in 1981. The book is definitely about Kennedy, according to people who say they know, but those directly involved with it are being evasive 4 about their connection to it. Noone in the New York publishing world wants to be quoted.

They spent millions on special effects for "Death Becomes Her." but in the scene when Meryl. Streep's age spots and wrinkles disappear as the clock turns back, herbreasts lose their sag thanks to hu-man hands. Roy Helland, the star's makeup and hairstyling aide, knelt behind her out of camera range. put his hands under her shirt and pushed her breasts up. according to: People Magazine.

Glenn Ford, 76, went home from Cedars-Sinai Medical center to: continue his recovery from surgery in July when large blood clots were tremoved from his lower extremities. He underwent surgery again on July 9 to stop internal bleeding.; 

Jerry Garcia, 50, leader of the Grateful Dead, is "exhausted," and; needs rest, his spokesman said afterfive shows by the group in Oregon and California were canceled.

The National Endowment for the Humanities picked the winners; of its Charles Frankel Prizes for. 1992. They are the writer Endora-Welty; Shelby Foote, the Civil War, historian and commentator for the PBS documentary series on the war. Allan Bloom, the author of a "The Closing of the American Mind"; Richard Rodriguez, author of "Hunger of Memory," an auto-biographical reflection about the American melting pot, and Harold. K. Skramstad Jr., president of the Henry Ford Museum and Greenfield Village in Dearborn, Michigan. They II pick up their \$5,000

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Appears on Page 3

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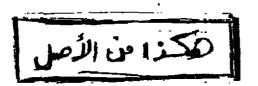
PLANNING TO RUN A CLASSIFIED AD? READ THIS ONE FIRST.



YES, I WANT TO MAKE EVERY WORD COUNT

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